OFFER DOCUMENT

Exchange offer to acquire all issued
and outstanding shares in

Eitzen Chemical ASA

Made by
Team Tankers International Ltd.

Exchange ratio:
3 shares in Eitzen Chemical ASA to be exchanged into 1 share in Team Tankers International Ltd.

Offer Period:
From and including 30 January 2015 at 09:00 hours (CET) to and including 28 February 2015 at 06:00 hours (CET)

PROSPECTUS

Initial Public Offering of a number of Offer Shares with gross proceeds of up to NOK 3 million in cash, and Offer of consideration shares in the Exchange Offer and admission to listing of all the shares of
Team Tankers International Ltd. on Oslo Stock Exchange or alternatively Oslo Axess

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This combined offer document and prospectus (the "**Document**") has been prepared by Team Tankers International Ltd. (the "**Company**", "**Team Tankers Ltd.**" or the "**Offeror**") in connection with (i) its voluntary offer to purchase all issued and outstanding shares of Eitzen Chemical ASA ("**Eitzen Chemical Shares**") (the "**Exchange Offer**"), (ii) the offer of the new shares in the Company (the "**Consideration Shares**") to be issued to the shareholders in Eitzen Chemical ASA (the "**Eitzen Chemical Shareholders**") as consideration for the Eitzen Chemical Shares as a part of the Exchange Offer (iii) the offer of the new shares in the Company (the "**Offer Shares**") in a retail offering to the public in Norway subject to a minimum application amount of NOK 12,500 and a maximum application amount of NOK 25,000, where each investor will receive a discount of NOK 1,500 (the "**Retail Offering**"), and an employee offering to certain management companies of Eitzen Chemical (together the "**Offering**"), and (iv) the listing and admission to trading of the shares in the Company on Oslo Stock Exchange or alternatively Oslo Axess (the "**Listing**").

Any securities to be delivered in connection with the Exchange Offer or the Offering have not been, and will not be, registered under the U.S. Securities Act, or under any relevant securities laws of any state in the United States. Accordingly, the securities may not be offered or sold, directly or indirectly, into the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and otherwise in compliance with all applicable state securities laws.

29 January 2015

IMPORTANT INFORMATION

Unless otherwise indicated, all references in this Document to "Team Tankers Ltd.", the "Company" or the "Offeror" are to Team Tankers International Ltd.; all references to "Eitzen Chemical" or the "Target" are to Eitzen Chemical ASA; and all references to the "Group" are to Eitzen Chemical ASA together with its consolidated subsidiaries. Following the completion of the Exchange Offer (as defined herein), all references to the "Group" or "Eitzen Chemical" should be considered to include Team Tankers International Ltd. together with its consolidated subsidiaries, including Eitzen Chemical ASA. For the definitions of certain terms used throughout this Document, see section 20 "Definition and glossary of Terms."

This Document has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "Norwegian Securities Trading Act") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended (the "EU Prospectus Directive"). Further, this Document has been prepared to comply with the provisions for voluntary offers in the Norwegian Securities Trading Act chapter 6. The Financial Supervisory Authority of Norway (*Nw: Finanstilsynet*) (the "Norwegian FSA") has reviewed and approved this Document in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Document. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Document. The Exchange Offer and section 5 of the Document have been approved by Oslo Stock Exchange as a voluntary offer document pursuant to section 6-14 of the Norwegian Securities Trading Act in its capacity as take-over authority of Norway.

The delivery of this Document does not, at any time, imply that any information contained herein is correct or complete at any time subsequent to the date hereof. There may have been changes in matters affecting Team Tankers Ltd. or the Group subsequent to the date of this Document. In accordance with section 7-15 of the Securities Trading Act, any new circumstance, material error or inaccuracy relating to the information included in the Document which may have significance for the assessment of the shares offered hereunder, and which comes to light between the time when the Document is published and the expiry of the Offer Period (as defined herein) will be included in a supplement to the Document in accordance with the requirements set forth in the Norwegian Securities Trading Act.

The contents of this Document are not to be construed as legal, business or tax advice. Prospective investors should consult their own legal, business and tax advisors as to legal, business and tax matters. In making a decision on the Exchange Offer, investors must rely on their own examination of Team Tankers Ltd., the Group and the terms of the Exchange Offer, including the merits and risks involved. For a description and discussion of certain risk factors relevant to the Exchange Offer and an investment in Team Tankers Ltd., see section 2 "Risk Factors".

Any disputes that might arise regarding this Document, the Exchange Offer or the Offering described herein are subject to Norwegian law and the exclusive jurisdiction of the Norwegian courts, except for the issuance of the Consideration Shares and the Offer Shares which shall be governed by Bermuda law and the jurisdiction of the Bermuda courts.

This Document has been prepared solely in the English language. However, a summary in Norwegian has been prepared in section 19 "Norwegian Summary (Norsk Sammendrag)".

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NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE UNITED STATES

Any Shares sold in the United States will be subject to certain transfer restrictions as set forth under Section 4.2 "Transfer Restrictions".

Because of the transfer restrictions applicable to the Consideration Shares and the Offer Shares, prospective investors in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Consideration Shares and the Offer Shares. Neither the Consideration Shares nor the Offer Shares have been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Accordingly, the Consideration Shares will not be offered or sold within the United States, except to persons reasonably believed to be QIBs in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act under Rule 144A. The Consideration Shares and the Offer Shares will be offered outside the United States in offshore transactions in reliance on Regulation S. **Prospective purchasers are hereby notified that sellers of Consideration Shares and Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act.** See Section 4.2 "Transfer Restrictions".

The securities offered hereby have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Exchange Offer or confirmed the accuracy or determined the adequacy of this Document. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Document is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Document has been provided by the Company and other sources identified herein. Distribution of this Document to any person other than the offeree, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Document is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Consideration Shares or Offer Shares, or subscribe for or otherwise acquire any Shares.

Consent under the Exchange Control Act 1972 (and its related regulations) has been obtained from the Bermuda Monetary Authority for the issue and transfer of the Company's shares to and between residents and non-residents of Bermuda for exchange control purposes provided that the Company's shares are listed on Oslo Stock Exchange or alternatively Oslo Axess. In granting such consent, neither the Bermuda Monetary Authority nor any other relevant Bermuda authority or government body accepts any responsibility for the Company's financial soundness or the correctness of any of the statements made or opinions expressed in this Document.

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APPENDICES

Appendix I	Audited consolidated financial statements of Eitzen Chemical ASA as of and for the years ended 31 December 2013 and 2012
Appendix II	Audited consolidated financial statements of Eitzen Chemical ASA as of and for the year ended 31 December 2011
Appendix III	Unaudited consolidated interim reports of Eitzen Chemical ASA as of and for the nine and three months ended 30 September 2014 and 2013
Appendix IV	Audited financial statements of Team Tankers International Ltd. as of 31 December 2014 and for the period from 29 July 2014 to 31 December 2014
Appendix V	Valuation reports
Appendix VI	Exchange Offer Acceptance Form (English)
Appendix VI	Exchange Offer Acceptance Form (Norsk)
Appendix VII	Offering Acceptance Form (English)
Appendix VII	Offering Acceptance Form (Norsk)

Appendix VIII Independent statement regarding the Exchange Offer by Advokatfirmaet CLP DA
Appendix IX Statement regarding the Exchange Offer by the Board of Directors of Eitzen Chemical ASA
Appendix X Bye-laws of Team Tankers Ltd.

1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings

A.1	**Introduction and warnings**	This summary should be read as an introduction to this Document. Any decision to invest in the Team Tankers Shares should be based on consideration of this Document as a whole by the investor. Where a claim relating to the information contained in this Document is brought before a court, the plaintiff investor might, under the national legislation of the relevant European Union member state, have to bear the costs of translating this Document before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Document or it does not provide, when read together with the other parts of this Document, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Consent to the use of this Prospectus by financial intermediaries**	Not applicable; no consent is granted by the Company to the use of this Document for subsequent resale or final placement of the Team Tankers Shares.

Section B – Issuer and any guarantor

B.1	**Legal and commercial name**	Team Tankers International Ltd.
B.2	**Domicile/ Legal form/ Legislation/ Country of**	The Company was incorporated on 29 July 2014 as an exempted company with limited liability, validly incorporated and registered under the laws of Bermuda in accordance with the Bermuda Companies Act, company number 49340.

	incorporation	
B.3	**Key factors of operations and principal activities**	Prior to completion of the Exchange Offer, the Company does not carry out any business. Following the Exchange Offer, the Company will become the ultimate parent of the Group, and will continue the business currently carried out by Eitzen Chemical ASA. As of the date of this Document, the Group's fleet consists of 47 chemical tankers ranging from 3,500 dwt to 46,000 dwt. Cargo segregations vary from 12 to 30, and the fleet consists of both coated and stainless steel vessels. Of the owned and leased fleet at the date of this Document, 27 were coated and 20 were stainless steel. The Group ranks amongst the 10 largest chemical tanker operators in the world, based on number of vessels in its fleet and average vessel size measured in dwt. With an average fleet age of less than ten years, the Group operates a young and modern chemical tanker fleet. Of the vessels operated by the Eitzen Chemical, 32 are currently owned through subsidiaries in Bermuda and Singapore. 15 vessels are chartered in on time charter or bareboat contracts, most of them with purchase options. The vessels which are chartered in are classified as financial (6) or operating (9) leases in Eitzen Chemical's financial statements.
B.4a	**Significant recent trends affecting the Issuer and the industry in which it operates**	The demand for chemicals and refined oil products cargo transportation has historically grown at a factor of 1.5-2.0x GDP growth. World GDP is, according to the IMF, expected to grow by 3.5 per cent and 3.7 per cent in 2015 and 2016 respectively. Shale gas abundance in the U.S. is expected to reshape the dynamics of chemical seaborne trade. The U.S. has a competitive advantage in producing ethylene related products used in the plastic industry and import mainly Benzene from the Far East. The Middle East is scaling up on production capacity of mainly paraxylene and benzene, which will be exported into the Far East and Europe. It is expected that the average haul of mainly larger chemical tankers will increase on the back of the U.S. shale gas boom whereby the ton-mile growth will outpace pure demand growth. Especially the average haul of vessels trading methanol is expected to increase. The U.S. has historically been net importer of methanol from Trinidad & Tobago, which will change once new methanol production plants come online in the U.S. Gulf, leading to a net export from the U.S. Methanol out of the U.S. and Trinidad & Tobago will therefore go into the long haul trade – primarily into the Far East. The current order book for chemical tankers is 5.7 million dwt, equivalent to about 15 per cent of the existing fleet. The order book to fleet ratio increased rapidly from the 4th quarter of 2013 and continued into 2014. New contracting has since then eased. However, overall fleet growth is still expected to be moderate in coming years. Main reason is new strict environmental requirements on both exhaust gas and ballast water treatment systems. The latter will require substantial capital expenditures and will reduce available tank capacity due to a higher than normal scrapping of primarily older small vessels, where the investment is not feasible. It is expected that the chemical tanker market will improve on the back of stronger

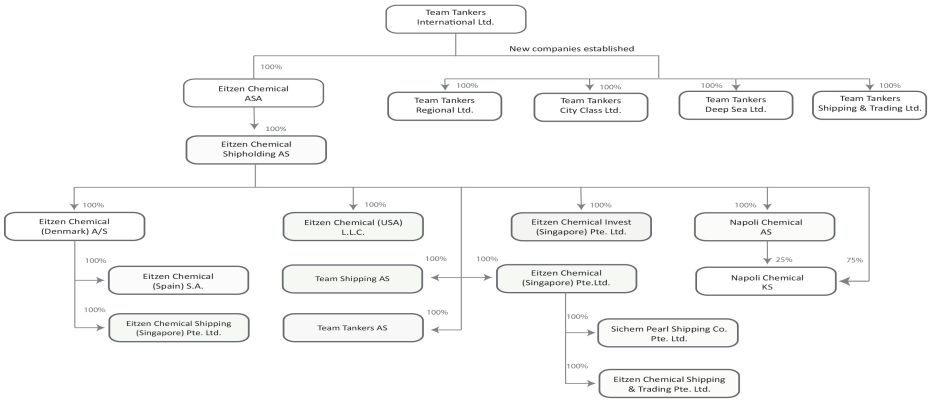
demand and a moderate growth in supply leading to an increased chemical tanker fleet utilization and thereby also improved rates in the spot market.

B.5 **Description of the group**

As of the date of this Document, Team Tankers Ltd. is 100% owned by Eitzen Chemical. Team Tankers Ltd. has four subsidiaries incorporated 7 January 2015.

Eitzen Chemical is currently the parent company in the Group, and functions as a holding company. The Group's operations are performed by different subsidiaries. Eitzen Chemical's vessels are currently owned through subsidiaries in Bermuda and Singapore. All subsidiaries, foreign and domestic, are wholly owned directly or indirectly by Eitzen Chemical.

Following completion of the Exchange Offer and the Restructuring, the group structure will be as follows:



B.6 **Notifiable voting rights**

Shareholders owning 5% or more of the Team Tankers Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The table below sets out the ownership percentage held by such notifiable shareholders in Eitzen Chemical as at 28 January 2015.

Shareholder	Number of shares	%
Angelo Gordon & Company	138,131,639	24.5
Solus Alternative Asset Management LP	118.741.754	21.1
GLG Partners Inc.	61.230.975	10.9
Barclays Capital Inc.	56.027.250	9.9
Cerberus European Capital Advisors LLP	50.234.383	8.9
Goldman Sachs Lending Partners LLC	32.332.522	5.7

Different voting rights

The Team Tankers Shares are equal in all respects and there are no differences in voting rights.

Control

At the date of this Document, the sole shareholder of the Company is Eitzen

		Chemical. After completion of the Exchange Offer, Eitzen Chemical will not hold a controlling stake of the Team Tankers Shares. The Company is not aware of any arrangements which may at a subsequent date result in a change of control of the Company.
B.7	**Selected historical key financial information**	Following the completion of the Exchange Offer, the business of Eitzen Chemical will be accounted for as a continuation of the existing Eitzen Chemical Group and the pooling of interest method will be applied. The transaction will not be accounted for as a business combination and does not result in any change of economic substance. Therefore the selected financial information has been extracted from Eitzen Chemical's unaudited interim consolidated financial statements as of, and for the three and nine months ended, 30 September 2014 and 2013 (the Interim Financial Statements) and Eitzen Chemical's audited consolidated financial statements for the financial years ended 31 December 2013, 2012 and 2011 (the Financial Statements). The Financial Statements have been prepared in accordance with IFRS as adopted by the European Union (IFRS) and the Interim Financial Statements have been prepared in accordance with IAS 34. As a consequence of the recent material changes from the implementation of the PSA, including the Refinancing, the Financial Statements and the Interim Financial Statements do not necessarily provide the same indication on how the financial results will be going forward, as the Group has been significantly deleveraged through the implementation of the PSA. The selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements and the Interim Financial Statements included in Appendices I, II and III, respectively, of this Document and should be read together with Section 12 "Operating and Financial Review".

Consolidated income statement

In USD thousand	**Three months ended 30 September**		**Nine months ended 30 September**		**Year ended 31 December**		
	2014	**2013**	**2014**	**2013**	**2013**	**2012**	**2011**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Freight revenue	86 732	93 833	263 782	287 119	380 603	401 248	426 039
Voyage expenses	-40 660	-42 836	-125 262	-133 612	-176 589	-206 655	-225 465
Freight income on T/C basis	**46 072**	**50 996**	**138 519**	**153 507**	**204 014**	**194 593**	**200 574**
Management fees and other income	-	-	-	-	-	1 933	5 654
Gross profit	**46 072**	**50 996**	**138 519**	**153 507**	**204 014**	**196 526**	**206 228**
Ship operating expenses	-26 212	-26 495	-77 647	-81 763	-107 722	-119 356	-123 144
Charterhire expenses	-9 567	-8 812	-26 695	-19 410	-27 711	-20 713	-31 979
General and administrative expenses	-6 042	-5 648	-18 100	-16 453	-23 322	-22 944	-25 505
EBITDA	**4 250**	**10 042**	**16 078**	**35 881**	**45 259**	**33 513**	**25 600**
Impairment	-1 521	-	-1 521	-	-	-70 391	-62 510
Depreciation and amortisation	-13 562	-13 554	-42 715	-42 145	-57 225	-64 779	-77 586
Gain/(loss) on sale of assets	-	-	-	-14 744	-16 741	-10 172	3 661
EBIT	**-10 833**	**-3 512**	**-28 158**	**-21 008**	**-28 707**	**-111 829**	**-110 835**
Interest income	3	2	6	8	11	92	453
Interest expenses	-15 696	-14 329	-46 151	-44 102	-58 887	-46 976	-43 683
Other financial items	2 827	-531	-133	11 664	12 988	22 398	2 566
Profit/(loss) before taxes	**-23 700**	**-18 370**	**-74 436**	**-53 442**	**-74 595**	**-136 315**	**-151 499**
Income tax expense	-	-9	-1	-4	-	-1	-2 530
Net profit/(loss)	**-23 700**	**-18 379**	**-74 437**	**-53 442**	**-74 595**	**-136 316**	**-154 029**

Consolidated statement of comprehensive income

In USD thousand	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2014	**2013**	**2014**	**2013**	**2013**	**2012**	**2011**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Net profit (loss)	**-23 700**	**-18 379**	**-74 437**	**-53 442**	**-74 595**	**-136 316**	**-154 029**
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-129	-	-
Total items that will not be reclassified to profit or loss	**-**	**-**	**-**	**-**	**-129**	**-**	**-**
Foreign currency translation differences	-51	22	-58	18	35	25	-625
Total items that may be reclassified to profit or loss	**-51**	**22**	**-58**	**18**	**35**	**25**	**-625**
Other comprehensive income, net of taxes	**-51**	**22**	**-58**	**18**	**-94**	**25**	**-625**
Total comprehensive income, net of taxes	**-23 751**	**-18 357**	**-74 495**	**-53 424**	**-74 689**	**-136 291**	**-154 654**

Consolidated statement of financial position

In USD thousand	As of 30 September	As of 31 December		
	2014	**2013**	**2012**	**2011**
	(unaudited)	(audited)	(audited)	(audited)
ASSETS				
Vessels	639 597	672 306	706 102	759 500
Vessels held under finance leases	93 728	93 045	152 499	235 637
Other equipment	299	278	205	419
Other non-current assets	1 029	2 058	3 347	2 000
Total non-current assets	**734 652**	**767 687**	**862 153**	**997 556**
Trade and other receivables	40 839	50 675	50 951	62 375
Inventories	14 817	17 325	16 681	20 457
Other current assets	1 891	4 903	1 911	2 404
Cash and cash equivalents	32 085	30 615	30 926	66 826
Total current assets	**89 632**	**103 518**	**100 469**	**152 062**
Vessels held for sale	4 401	-	-	-
TOTAL ASSETS	**828 685**	**871 204**	**962 622**	**1 149 618**
EQUITY AND LIABILITIES				
Share capital	148 037	148 037	148 037	148 037
Share premium	20 550	20 550	20 550	20 550
Treasury shares	-116	-116	-116	-116
Other paid in equity	631 440	631 440	631 440	631 440
Total paid in capital	**799 911**	**799 911**	**799 911**	**799 911**
Retained earnings	-990 762	-916 326	-841 681	-705 365

Other reserves	9 602	9 660	9 625	9 600
Total equity	**-181 250**	**-106 754**	**-32 144**	**104 146**
Long-term debt	868 524	828 092	13 263	761 666
Obligations under finance leases	74 115	55 113	140 149	186 587
Other non-current liabilities	1 580	225	202	562
Total non-current liabilities	**944 219**	**883 430**	**153 614**	**948 815**
Trade and other payables	36 692	51 153	58 568	70 786
Short-term debt and current portion of long-term debt	7 006	-	769 793	11 669
Current portion of obligations under finance leases	15 099	42 849	12 380	13 406
Other current liabilities	6 918	526	411	796
Total current liabilities	**65 715**	**94 528**	**841 152**	**96 657**
Total liabilities	**1 009 934**	**977 958**	**994 766**	**1 045 472**
TOTAL EQUITY AND LIABILITIES	**828 685**	**871 204**	**962 622**	**1 149 618**

Consolidated cash flow statement

In USD thousand	**Three months ended 30 September**		**Nine months ended 30 September**		**Year ended 31 December**		
	2014 (unaudited)	**2013** (unaudited)	**2014** (unaudited)	**2013** (unaudited)	**2013** (audited)	**2012** (audited)	**2011** (audited)
Profit/(loss) before taxes	-23 700	-18 371	-74 436	-53 439	-74 595	-136 315	-151 499
Non-cash adjustments							
(Gain)/loss on sale of assets	-	-	-	14 744	16 741	10 172	-3 661
Depreciation and amortization	13 562	13 554	42 715	42 145	57 225	64 779	77 586
Impairment	1 521	-	1 521	-	-	70 391	62 510
Effect of updated estimated finance lease obligations	-	-	-	-	-	-30 432	-11 135
Net interest expenses	15 693	14 327	46 145	44 094	58 876	46 884	43 230
Foreign currency (gain)/loss	-5 302	444	-4 469	-11 544	-14 517	2 292	5 341
Working capital and other adjustments	7 188	3 146	8 344	-11 239	-4 194	8 441	-5 490
Net cash flow from operating activities	**8 963**	**13 100**	**19 819**	**24 762**	**39 537**	**36 211**	**16 883**
Net proceeds from sale of vessels	-	2 409	-	2 409	2 409	5 954	2 821
Payments on vessels (mainly upgrading and docking)	-959	-7 722	-12 700	-10 803	-19 123	-14 806	-19 871
Interest received	3	2	6	8	11	92	489
Net cash flow from investing activities	**-957**	**-5 310**	**-12 694**	**-8 386**	**-16 703**	**-8 760**	**-16 561**
Proceeds from borrowings	-	226	14 000	**15 226**	15 226	2 139	416
Repayment of long term debt	-994	-	-994	-5 211	-5 211	-7 033	-5 399
Repayment of obligations under finance leases	-1 446	-1 749	-7 747	-8 733	-10 510	-13 407	-12 420
Interest paid	-2 355	-2 181	-6 781	-8 140	-10 308	-39 914	-39 706
Payment of other financial costs	-2 412	-	-4 809	-11 684	-12 537	-5 544	-
Net proceeds from share	-	-	-	-	-	-	52 919

issuance							
Net cash flow from financing activities	**-7 206**	**-3 703**	**-6 331**	**-18 542**	**-23 341**	**-63 759**	**-4 191**
Net change in cash and cash equivalents	**800**	**4 087**	**794**	**-2 166**	**-507**	**-36 308**	**-3 868**
Cash and cash equivalents at the beginning of period	30 741	24 670	30 615	30 926	30 926	66 826	72 121
Effect of exchange rate changes on cash	544	155	676	151	195	408	-1 427
Cash and cash equivalents at the end of period	**32 085**	**28 911**	**32 085**	**28 911**	**30 615**	**30 926**	**66 826**

In addition, the Company has prepared audited financial statements from the date of inception (29 July 2014) to 31 December 2014 (the Team Tankers Ltd. Financial Statements). There has not been any activity in Team Tankers Ltd in this period. The Team Tankers Ltd. Financial Statements have been prepared in accordance with IFRS.

B.8	**Pro forma financial information**	Not applicable. There is no pro forma information.
B.9	**Profit forecast or estimate**	Not applicable. No profit forecast or estimate is made.
B.10	**Audit report qualifications**	The audit report for the Team Tankers Ltd. Financial Statements does not include any qualifications. The audit report for the Eitzen Group Financial Statements for the financial year ended 31 December 2013 included the following emphasis of matter: *"Without qualifying our opinion, we draw attention to the Board of Director's Report and notes to the Group's financial statements regarding the basis for applying the going concern assumption. Whilst both the parent company and the Group have negative equity as of 31 December 2013, the agreement with the lenders provides a basis for continued operations. Our opinion is not qualified in respect of this matter."* The audit report for the Eitzen Group Financial Statements for the financial year ended 31 December 2012 included the following emphasis of matter: *"Without qualifying our opinion, we draw attention to the Board of Director's Report and notes to the Group's financial statements regarding the basis for applying the going concern assumptions. Whilst both the parent company and Group have negative equity as of 31 December 2012, the agreement with the lenders provides a basis for continued operations. Our opinion is not qualified in respect of this matter."* The audit report for the Eitzen Group Financial Statements for the financial year

		ended 31 December 2011 included the following emphasis of matter: *"Without qualifying our opinion, we draw attention to the Board of Director's Report and note 23 and note 24 in the Group's financial statements, which indicate that there is a significant doubt about the ability to continue as a going concern due to the risk related to the Company's ability to meet its financial obligations. We also draw attention to note 12 in the Group's financial statements and note 6 in the parent Company's financial statements which indicate that vessel values and shares in subsidiaries are based on value use and do not reflect impairment charges or losses if the Company's assets are sold in the current prevailing market. Our opinion is not qualified in respect of this matter."*
B.11	**Insufficient working capital**	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Document.

Section C – Securities

C.1	**Type of securities and ISIN codes**	The Consideration Shares and the Offer Shares are shares of the Company with ISIN BMG870871057. All of the Shares are of the same class and have the same rights attached to them. The Consideration Shares and the Offer Shares will be registered in book-entry form in the VPS.
C.2	**Currency**	The Team Tankers Shares have a par value in USD, but trading of the Consideration Shares and Offer Shares will be effected in NOK on the Oslo Stock Exchange.
C.3	**Number of issued shares and par value**	As at the date of this Document, the Company's authorized share capital is USD 1,000,000 consisting of 100,000,000 Team Tankers Shares with a par value of USD 0.01 each, of which 1,000,000 Team Tankers Shares have been issued and fully paid.
C.4	**Rights attached to the shares**	Pursuant to the Bye-laws, the holders of Team Tankers Shares have no pre-emptive, redemption, conversion or sinking fund rights. The holders of Team Tankers Shares are entitled to one vote per Team Tankers Share on all matters submitted to a vote of the holders of Shares. Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of its assets would thereby be less than its liabilities, or in circumstances that would result in an unlawful reduction of share capital or share premium. Under the Bye-laws, each of the Shares is entitled to such dividends as the Board of Directors may from time to time declare.

C.5	**Restriction on the free transferability of the shares**	The Shares of the Company are freely transferable. See also section 4.1 – "Selling Restrictions" and Section 4.2 – "Transfer Restrictions" for restrictions on the selling and transfer of the Consideration Shares in certain jurisdictions.
C.6	**Application for admission to trading on a regulated market**	The Company applied for a listing of all its issued and outstanding Shares on the Oslo Stock Exchange, alternatively on Oslo Axess on 28 January 2015. The Company expects the Oslo Stock Exchange to approve the application for Listing on 25 February 2015, subject to certain conditions being met. The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange, alternatively on Oslo Axess, on or about 9 March 2015. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.
C.7	**Dividend policy**	Although the Company has not paid any dividends since its incorporation, and does not expect to pay dividends in a short-term perspective, the goal of Company is to provide an attractive long-term return in order to make the Company an interesting investment. Shareholders' return consists of payment of dividend and share price appreciation. The Company aims to pay a stable and preferably rising dividend over time, provided always that the Group's results and future investment requirements are duly taken into account. The New Financing agreement includes restrictions on the payments of dividend after the completion of the increase option, with a maximum payment of 50 per cent of net income, subject to compliance after dividend is paid.

Section D – Risks

D.1	**Key risks specific to the Company or its industry**	**Risks relating to the Relocation and the Restructuring** • The Company is incorporated in Bermuda and the rights of the shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. • The Company's Bye-laws contain provisions providing for a staggered board which may be deemed to have anti-takeover effects. • Dividends declared and paid by the Company may be subject to local tax in the investors' home countries. • Potential new or amended Bermuda tax rules may result in potential Bermuda taxation.

- The Company's Bye-laws restrict shareholders from bringing legal action against its officers and directors.

Risks relating to the industry of the Group:

- The cyclical nature of the chemical tanker industry may lead to volatile changes in charter rates, which may adversely affect the Group's earnings and the value of its vessels.

- Marine transportation is inherently risky, and an incident involving significant loss of product or environmental contamination by any of the Group's vessels could harm its reputation and business.

- Although the financial restructuring has substantially strengthened the financial position the Group, a decline in global economic conditions could materially and adversely affect the Group's business, financial condition and results of operations.

- A significant number of chemical tankers are on order which may lead to a reduction in freight rates and materially and adversely impact the Group's business, financial condition and results of operations.

- Increases in bunker fuel prices and other operating costs may significantly increase the Group's voyage expenses relating to the operation of its ships.

- The Group's operations may be affected by political, governmental and economic instability which may adversely affect the Group's business.

- The shipping industry is subject to substantial environmental and other regulations, which may significantly limit operations and increase expenses.

Risks relating to the Group's business

- The Group's earnings and business are subject to risk caused by counterparties in contracts, and failure and misrepresentation of such counterparties causing them not to meet their obligations could cause loss to the Group or otherwise materially and adversely affect the business of the Group.

- The market value of the Group's current ships and those it acquires in the future may decrease, which could, among other things, cause the Group to be in non-compliance with its loan covenants or to incur losses if it decides to sell them following a decline in their market values.

- The Group's operating and maintenance costs may not necessarily fluctuate in proportion to changes in operating revenues.

- The Group's business involves numerous operating hazards and the Group's own insurance may not be adequate to cover the Group's losses.

- The Group's ships are exposed to technical risk and down-time or off-hire.

- The Group may be subject to litigation that could have an adverse effect on the Group's business.

- Laws and regulations could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and restrict its ability to operate its ships or otherwise.

- A change in tax laws of any country in which the Group operates from time to time, or complex tax laws associated with international operations which the Group may undertake from time to time, could result in a higher tax expense or a higher effective tax rate on the Group's earnings.

- A loss of a major tax dispute or a successful tax challenge to the Group's operating structure from time to time or other disputes related to or challenges to the Group's tax payments could result in a higher tax rate on the Group's earnings.

- The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders.

- Fluctuations in exchange rates and non-convertibility of expenses could affect the Group's cash flow and financial condition.

- Interest rate fluctuations could affect the Group's cash flow and financial condition.

D.3 **Key risks specific to the securities**

- The trading price of the Shares could fluctuate significantly in response to a number of factors, including factors beyond the Company's control.

- Possible future sales of substantial numbers of Team Tankers Shares may affect the Team Tankers Shares' market price.

- Future issuances of Team Tankers Shares or other securities may

		dilute the holdings of shareholders and could materially affect the future price of the Team Tankers Shares. • Exchange rate fluctuations could adversely affect the value of the Team Tankers Shares and any dividends paid on the Team Tankers Shares for an investor whose principal currency is not NOK. • Investors may not be able to exercise their voting rights for shares registered in a nominee account. • The transfer of the Team Tankers Shares is subject to restrictions under the securities laws of the United States and other jurisdictions. • The Company may be unwilling or unable to pay any dividends in the future.

Section E – The Exchange Offer

E.1	**Net proceeds and estimated expenses**	Team Tankers Ltd. will not receive any proceeds in connection with the Exchange Offer. The total expenses which will be covered by Team Tankers Ltd. in connection with the Exchange Offer, the Offering and the Listing is expected to amount to approximately NOK 6 million.
E.2a	**Reasons for the Exchange Offer and use of proceeds**	Through the Exchange Offer, the Group is planning a re-domiciliation to Bermuda (the Relocation). The purpose of the contemplated Relocation is to establish a corporate structure which reflects Eitzen Chemical's new ownership after completed debt conversion. The shipping industry is a global, highly competitive industry. Thus, it is critical that the Group operates under favorable, stable and predictable legislative and regulatory conditions. The Exchange Offer is made in the long-term interest of the Group and its shareholders, as a simple and transparent way to relocate the holding company of the Group. In exchange for the issuance of Team Tankers Shares in the Exchange Offer, Team Tankers Ltd. will receive Eitzen Chemical Shares. The Company will not receive any proceeds in connection with the Exchange Offer.

E.3 **Terms and conditions of the Exchange Offer**

Below is a summary of the terms of the Exchange Offer and the expected timetable for the Exchange Offer:

Offer Period	From and including 30 January 2015 at 09:00 CET to and including 28 February 2015 at 06:00 CET
Completion of Settlement	On or about 5 March 2015
First day of trading on Oslo Stock Exchange or alternatively Oslo Axess of the shares in Team Tankers Ltd.	On or about 9 March 2015

Eitzen Chemical Shareholders accepting the Exchange Offer will receive 1 share in Team Tankers Ltd. for 3 Eitzen Chemical Shares. This represents the value equivalent of NOK 4.89 for each Eitzen Chemical Share based on the closing price of the Eitzen Chemical Share on Oslo Stock Exchange on 28 January 2015.

Subject to approval by Oslo Stock Exchange, the Offeror may in its sole discretion increase the offer price. Any increase of the offer price will be announced prior to the expiration of the Offer Period in the manner described in section 5.16 of this Document.

The obligation of Team Tankers Ltd. to complete the Exchange Offer is subject to the satisfaction of the following conditions:

1. The number of Eitzen Chemical Shares that are validly tendered to Team Tankers Ltd. in respect of the Exchange Offer represents more than 99.5 per cent of the issued share capital and votes in Eitzen Chemical;

2. The Board of Directors of Oslo Stock Exchange approves Team Tankers Ltd. for listing on Oslo Stock Exchange or, alternatively, Oslo Axess and all conditions for listing on Oslo Stock Exchange or, alternatively, Oslo Axess, will be satisfied upon completion of the Exchange Offer;

3. All permits, consents and approvals required from applicable regulatory and governmental authorities for the completion of the Exchange Offer shall have been obtained or any applicable waiting periods have expired or lapsed, in each case upon conditions satisfactory to Team Tankers Ltd. in its sole discretion; and

4. Eitzen Chemical shall have received necessary consents and/or waivers from third parties in order to effect the Exchange Offer without any adverse effect for Eitzen Chemical or its subsidiaries, in each case without conditions or upon conditions satisfactory to

Team Tankers Ltd. in its sole discretion

The Offeror reserves the right to waive in whole or in part the conditions listed in number 1, 3 and 4. As soon as each of the conditions above has been met, waived or failed to be met, the Offeror will issue a notification to that effect in accordance with the procedures set out in section 5.16 "Announcements and amendments to the Exchange Offer".

In the event that the Offeror has not announced that the conditions for closing of the Exchange Offer have been met or waived and that the Exchange Offer will be completed by 16:30 CET on 15 March 2015 (the Drop-dead Date), the Exchange Offer will not be completed and shareholders who have tendered their Eitzen Chemical Shares will be released from their acceptances of the Exchange Offer.

No interest will be paid to shareholders for the period between the expiry of the Offer Period and the Drop-dead Date.

E.4	**Material and conflicting interests**	The aim of the Exchange Offer and the Relocation (as described in section 7.1 below) is to establish a corporate structure which reflects Eitzen Chemical's new ownership after completed debt conversion. Thus it is in the Company's shareholders interest that the Exchange Offer is completed.

E.5	**Selling shareholder and lock-up agreements**	Irrevocable and unconditional pre-acceptances to the Exchange Offer are obtained from the lenders participating in the Debt Conversion, securing acceptance of 98%. In addition, Jason Shipping AS has pre-accepted the Exchange Offer for its 3,835,119 Eitzen Chemical Shares. Thus, the Offeror has received pre-acceptances for the Exchange Offer for a total of 556,071,195 shares, representing approximately 98.68% of the outstanding Eitzen Chemical Shares and votes. The pre-accepting shareholders have undertaken to submit a duly completed and signed acceptance form during the Offer Period and only sell their Eitzen Chemical Shares to third parties subject to the pre-acceptance and the PSA. The pre-acceptances will no longer be valid if the Exchange Offer is not consummated by 15 March 2015.

E.6	**Dilution resulting from the Exchange Offer**	All 1,000,000 Team Tankers Shares currently held by Eitzen Chemical will be held as treasury shares by Eitzen Chemical. These Team Tankers Shares are therefore not included in the calculations of the issued share capital of Team Tankers Ltd. Provided that all Eitzen Chemical Shareholders tender all their Eitzen Chemical Shares under the Exchange Offer, the shareholder structure in Team Tankers Ltd. following the completion of the Exchange Offer will be the same as the shareholder structure in Eitzen Chemical as of the expiry of the Offer Period.

		If an Eitzen Chemical Shareholder does not tender its Eitzen Chemical Shares under the Exchange Offer, and the Exchange Offer is completed, then such Eitzen Chemical Shareholder runs the risk of being subject to a compulsory acquisition as described in Section 5.19 "Compulsory acquisition".
E.7	**Estimated expenses charged to the investor**	Not applicable. Shareholders who accept the Exchange Offer will not have to pay brokerage fees as a result of submitting acceptances to the Receiving Agent. The Offeror will pay VPS-transaction costs that may occur as a direct consequence of the shareholders accepting the Exchange Offer, if any. The Offeror will not cover any other costs that an Eitzen Chemical Shareholder may incur in connection with acceptance of the Exchange Offer.

Section F – The Offering

E.1	**Net proceeds and estimated expenses**	The Company's expected net proceeds in connection with the Offering is up to NOK 3.9 million. The total expenses which will be covered by Team Tankers Ltd. in connection with the Exchange Offer, Offering and Listing are expected to amount to approximately NOK 6 million.
E.2a	**Reasons for the Offering and use of proceeds**	In order to be approved for Listing on Oslo Stock Exchange, the Company must inter alia have in excess of 500 shareholders, each holding shares with a value of more than NOK 10,000. In order to meet this requirement, the Company contemplates to complete an offering. The net proceeds from the Offering will primarily be used for general corporate purposes.
E.3	**Terms and conditions of the Offering**	The Offering will comprise of: • The Retail Offering comprises of a number of Offer Shares with gross proceeds of up to NOK 3 million, in which Offer Shares are being offered to the public in Norway, subject to a lower limit per application of an amount of NOK 12,500 and an upper limit per application of an amount of NOK 25,000 for each investor. Each investor in the Retail Offering will receive a discount of NOK 1,500. • The Employee Offering with gross proceeds of up to NOK 900,000, in which Offer Shares are being offered to the Group's

		management companies which will deliver such Offer Shares to its employees as bonus in accordance with internal instructions. Completion of the Offering is conditional upon the Exchange Offer described in chapter 5 of this Document being completed. Completion of the Offering on the terms set forth in this Document is otherwise only conditional on the Board of the Company resolving to issue the Offer Shares. The Board may however in its sole discretion resolve to issue Offer Shares with gross proceeds less than NOK 3.9 million irrespective of whether the Offering is fully subscribed or not to complete the Employee Offering. The Offer Price for the Offer Shares offered in the Retail Offering will be three times (i.e. corresponding to the exchange ratio in the Exchange Offer) the volume weighted average trading price of the Eitzen Chemical Share the last 5 business days of the Retail Application Period (as defined below). The period during which applications for Offer Shares in the Retail Offering will be accepted (the "Retail Application Period") will last from and including 09:00 CET on 30 January 2015 until 16:30 CET on 27 February 2015. The Company reserves the right to extend the Retail Application Period at any time, depending on the number and size of orders or applications received in the Offering, in the aggregate or individually. All Applications for Offer Shares in the Retail Offering must be made during the Retail Application Period on the Offering Application Form attached to this Document as Appendix VII. The Offering Application Form must be completed and signed and returned to the Receiving Agent before the expiration of the Retail Application Period 27 February 2015 at 16.30 hours (CET) (or such time that the Retail Application Period may be extended to). The Offering Acceptance Form can be submitted by fax, hand delivery, mail or by e-mail. All applicants being allotted Offer Shares in the Retail Offering will receive a letter confirming the number of Offer Shares allotted and the corresponding amount to be paid on or about 2 March 2015. The due date of payment in the Retail Offering is on or about 4 March 2015. It is expected that the Offer Shares will be delivered in the VPS to applicants in the Retail Offering on or about 5 March 2015.
E.4	**Material and conflicting interests**	The Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.
E.5	**Selling shareholder and lock-up agreements**	Not applicable.

E.6	**Dilution resulting from the Offering**	Assuming issuance of up to 265,848 Offer Shares through the Offering (assuming the price in the offering will be three times the closing price of the Eitzen Chemical Share on Oslo Stock Exchange on 28 January 2015), and that all the Eitzen Chemical Shareholders have accepted the Exchange Offer, the Offering will result in an immediate dilution of up to 0.047% of the Company.
E.7	**Estimated expenses charged to the investor**	Not applicable. The expenses related to the Offering will be paid by the Company.

2 RISK FACTORS

2.1 General

Eitzen Chemical Shareholders and prospective investors should carefully consider the following risk factors in addition to the other information in this Document before accepting the Exchange Offer or the Offering. Any of these risks could have a material adverse effect on the business, operating results and financial condition of the Group and, as a result, the value and trading price of the Team Tankers Shares may decline, which could, in turn, result in a loss of all or part of any investment in the Team Tankers Shares. Furthermore, the risks and uncertainties described below may not be the only ones the Group faces. Additional risks and uncertainties not presently known to the Company or the Group or that the Company or the Group currently deems immaterial may also impair its business, financial condition and results of operations in the future. Investing in the Company involves inherent risks. This Section 2 "Risk Factors" contains an overview of the risk factors that are known to the Company and considered material by it. Eitzen Chemical Shareholders and prospective investors should consult their own expert advisors as to the suitability of an investment in the Team Tankers Shares.

An investment in the Team Tankers Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment.

If any of the following risks actually occur, individually or together with other circumstances, the Company's business, financial position, cash flow and operating results could be materially and adversely affected, which may cause a decline in the value and trading price for the Team Tankers Shares that could result in a loss of all or part of any investment in the Team Tankers Shares.

The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

2.2 Risks related to the Relocation and the Restructuring

Risks related to the Company's incorporation in Bermuda.

The Company is an exempted company limited by shares incorporated under the laws of Bermuda. As a result, the rights of holders of the Team Tankers Shares will be governed by Bermuda law and the Company's memorandum of association and Bye-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. Not all of the members of the Company's Board of Directors are residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its directors and executive officers in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. It is doubtful whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against the Company or its directors or officers under the securities laws of other jurisdictions. The United States and Bermuda do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not based solely on United States federal or state securities laws, would not be automatically enforceable in Bermuda.

Certain Provisions of the Company's Bye-laws may have possible anti-takeover effects.

The Company's Bye-laws contain provisions providing a staggered board (as described in section 14.1.1 of this Document) which may be deemed to have anti-takeover effects. Such provision may delay, defer or prevent takeover attempts that shareholders might consider in the best interests of shareholders.

Various conditions may cause an adverse tax effect for the shareholder if the Company pays dividends.

Dividends declared and paid by a Bermuda exempted company may be subject to local tax in the investors' home country, and each investor should make such investigations for himself/herself. Norwegian investors will be subject to taxation as dividends will be deemed as taxable income for the receiver, and such dividends will be subject to 27% tax and the same tax rate will apply with respect to capital gains for such investors. See section 17 "Taxation" below for more details.

Potential new or amended Bermuda tax rules resulting in potential Bermuda taxation.

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or by the Company's shareholders in respect of the Team Tankers Shares. The Minister of Finance of Bermuda, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, as amended, has given the Company an assurance that in the event any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, such tax shall not until 31 March 2035 be applicable to the Company or any of its operations, or its shares, debentures or other obligations, except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by the Company in respect of real property owned or leased by the Company in Bermuda. Given the limited duration of the Minister of Finance of Bermuda's assurance, it cannot be assured that the Company will not be subject to any Bermuda tax after 31 March 2035.

The Company's Bye-laws restrict shareholders from bringing legal action against its officers and directors.

The Company's Bye-laws contain a broad waiver by the Company's shareholders of any claim or right of action, both individually and on the Company's behalf, against any of the Company's officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against the Company's officers and directors unless the act or failure to act involves fraud or dishonesty.

2.3 Risks related to the Industry of the Group

The cyclical nature of the chemical tanker industry may lead to volatile changes in charter rates, which may adversely affect the Group's earnings and the value of its vessels.

Historically, the shipping and tanker industry has been highly cyclical, experiencing volatility in profitability and asset values. The Group's performance and growth depend heavily on the supply of vessels relative to the demand. If the tanker market is depressed, the Group's revenues and the value of its vessels may decrease substantially. The supply of vessel capacity is affected by the number of new vessels built and old vessels scrapped, converted to other uses or lost, as well as by government and industry regulation of maritime transportation. An increase in the supply of tanker or other vessel capacity without a corresponding increase in demand for that capacity could cause charter rates to decline. Falling charter rates could materially adversely affect the Group's results from operations and financial condition. The Group's ability to operate profitably in the spot market or, if relevant, to re-charter its other vessels upon the expiration or termination of their charters will

depend upon, among other factors, economic conditions in the crude and product tanker markets. The factors affecting the supply of and demand for chemical tankers and the value of the Group's vessels are outside of the Group's control, and the nature, timing and degree of changes in industry conditions are unpredictable.

Factors that influence demand for chemical tanker capacity include, but not limited to:

- demand for chemicals and related products;
- regional availability of production capacity;
- global and regional economic conditions;
- the distance chemical and related products are to be moved by sea; and
- changes in seaborne and other transportation patterns.

Factors that influence the supply of chemical tanker capacity include, but not limited to:

- the number of newbuilding deliveries;
- the scrapping rate of older vessels;
- conversion of tankers to other uses;
- the number of vessels that are out of service; and
- environmental concerns and regulations.

Historically, the chemical tanker markets have been volatile as a result of the many conditions and factors that can affect the price, and the supply of, and demand for, chemical tanker capacity. Changes in demand for transportation of chemicals and related products over longer distances and in the supply of chemical tankers to carry that cargo may materially affect the Group's business, financial condition and results of operations.

Marine transportation is inherently risky, and an incident involving significant loss of product or environmental contamination by any of the Group's vessels could harm its reputation and business.

Vessels and their cargoes are at risk of being damaged or lost because of events such as:

- marine disasters;
- bad weather;
- mechanical or electrical failures;
- grounding, capsizing, fire, explosions and collisions;
- piracy;
- human error; and
- war and terrorism.

An accident involving any of the Group's vessels could result in any of the following:

- death or injury to persons, loss of property or damage to the environment and natural resources;
- delays in the delivery of cargo;
- loss of revenues from charters;
- liabilities or costs to recover any spilled oil or other petroleum products and to restore the eco-system where the spill occurred;
- governmental fines, penalties or restrictions on conducting business;
- higher insurance rates; and
- damage to the Group's reputation and customer relationships generally.

Although the financial restructuring has substantially strengthened the financial position of the Company, any of these events could have a material adverse effect on the Group's business, financial condition and operating results.

A decline in global economic conditions could materially and adversely affect the Group's business, financial condition and results of operations.

Demand for chemical and related products fluctuates with changes in global economic activity, which in turn affects demand for chemical tanker ships. Slowdowns in global economic activity may materially and adversely impact the chemical tanker industry, including, among other things:

- Reducing the demand for chemical and related products and chemical tanker shipping and hence charter rates or the availability of new charters for ships;
- Decreasing the market values of ships;
- Reducing the availability of financing for ships; and
- Slowing the second-hand market for the sale of ships.

Although the financial restructuring has substantially strengthened the financial position of the Company, any of the above events could materially and adversely affect the Group's business, financial condition and results of operations.

The state of the global financial markets may materially and adversely impact the Group's ability to obtain financing.

Credit markets were distressed in 2008 and 2009, and have been volatile since that time. A decline in the credit markets may materially and adversely affect the Group's ability to obtain additional financing on favorable terms or at all, and could have a material and adverse effect on the Group's business, financial condition and results of operations , and may also negatively impact the Group's operations by affecting the solvency of its suppliers and/or customers, which could lead to disruptions in the delivery of supplies, cost increases for supplies, accelerated payments to suppliers, customer bad debts or reduced revenues.

Competition within the chemical tanker industry may materially and adversely affect the Group's ability to market its services.

The Group's vessels are employed in a highly competitive market that is capital intensive and fragmented. Competition for charters is intense, and at times the Group may potentially compete against other ship owners who have greater resources than the Group. Competition for chemical shipping depends on price, location, size, age, condition and the acceptability of the ship and its operators to prospective charterers. Due in part to the fragmented nature of the market, competitors with greater resources could enter and operate larger fleets that may be able to offer lower charter rates and higher quality ships than the Group is able to offer. The Group's operations may be materially and adversely affected if its current competitors or new market entrants introduce new offerings with better features, performance, prices or other characteristics than the Group can offer.

Any inability to compete favorably could negatively impact the results of operations and financial condition. To the extent the Group enter into new geographic areas or provide new services, no assurance can be made that the Group will be able to compete successfully in these new markets.

The international shipping business typically involves so called pool agreements between actual and potential competitors. Such agreements regulate the co-operation between the various parties, including the rules for revenue sharing, joint marketing, the operation and the utilization of the vessels covered by the agreements. Such agreements are subject to EU/EEA and national competition rules, depending on inter alia the position of the parties and their competitors on the various markets concerned.

A significant number of chemical tankers are on order which may lead to a reduction in freight rates and materially and adversely impact the Group's business, financial condition and results of operations.

If the number of chemical tanker ships delivered exceeds the number of ships being recycled, the global ship capacity will increase. There are currently a substantial number of chemical tankers on order. The chemical tanker order book can also increase further. If the demand for ships does not increase correspondingly with the future increase in the number of ships, freight rates and ship utilization could materially decline. Lower utilization and freight rates due to an over-supply of chemical tanker ships could materially and adversely affect the Group's business, financial condition and results of operations. Prolonged periods of low utilization and charter hire, which the chemical tanker market has experienced in the past, could also have a material and adverse effect on the value of the Group's ships.

Increases in bunker fuel prices and other operating costs may significantly increase the Group's voyage expenses relating to the operation of its ships.

In accordance with industry practice, the Group is responsible for voyage expenses, including bunker fuel costs, when operating its ships. Increases in the cost of bunker fuel are subject to a number of economic, natural and political factors affecting the level of crude oil prices in global markets that are beyond the Group's control, including worldwide demand and supply imbalances, political instability and natural disasters in oil-producing regions. An increase in the cost of bunker fuel could significantly increase voyage expenses for the Group's ships, which could have a material and adverse effect on the Group's results of operation to the extent that it is not able to increase its freight rates commensurately or otherwise to recover bunker fuel cost increases from its customers. Other operating expenses, such as for example crew costs, may also fluctuate and affect the Group's profitability.

Charter rates may fluctuate substantially and if rates stay low for a prolonged period, the Group's revenues and cash flows may be adversely affected.

The Group operates its ships predominantly in the spot market where charter rates and cargo availability fluctuates significantly and where seasonality can adversely impact the Groups earnings from time to time. Being dependent on the spot market may leave the Group particularly vulnerable to short or long term swings in the freight market. There have been periods when spot charter rates have declined below the operating costs of ships.

The spot charter market may fluctuate significantly based upon the supply and demand balance for chemical tankers. The successful operation of the Group's ships in the competitive and highly volatile spot market depends on, among other things, obtaining profitable spot charters, which depends greatly on ship supply and demand, and minimizing, to the extent possible, time spent waiting for charters and time spent travelling unloaded to pick up cargo.

If charter rates are low when the Group is seeking a new charter, it may only be able to enter into new charters at unprofitable rates. Prolonged periods of low charter hire rates or low ship utilization could also have a material and adverse effect on the value of the Group's ships.

The Group is exposed to the risk of acts of piracy, which could result in increasing costs of operations and ship loss.

Although acts of piracy on ocean-going ships have decreased in frequency in recent years in the Gulf of Aden off the coast of Somalia, there has been an increase in attacks in West Africa's Gulf of Guinea. Since 2008, there have been continuous piracy threats and there may be future attempted attacks on the Group's fleet in such high-

risk areas. Aside from the threat of ship loss, piracy also increases the cost of insurance for the Group and increased operating costs incurred to pay for armed security personnel travelling onboard the ships to the extent that voyages travel through high-risk areas, and costs associated with the disruption in trade and scheduling of ships. Although insurance coverage has improved, there are still limitations to the coverage available in connection with piracy attacks, which could lead to unrecoverable losses. The foregoing could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group may not be able to obtain supplies and services when needed, at an acceptable cost, or at all.

The Group relies, and will in the future rely, on a significant supply of consumables, spare parts and equipment to operate, maintain, repair and upgrade its fleet of ships. Cost increases, delays or unavailability could negatively impact the Group's operations and result in down-time due to delays in the repair and maintenance of the Group's ships.

The Group's operations may be affected by political, governmental and economic instability which may adversely affect the Group's business.

The Group's operations may be affected by political, governmental and economic conditions in countries where the Group engage in business. Any disruption caused by these factors could adversely affect the Group's business. In addition, political instability, terrorist or other attacks, war or international hostilities may contribute to further world economic instability and uncertainty in global financial markets, which may adversely affect the chemical tanker industry and the Group's business.

Requisition of the ships could have a material and adverse effect on the Group's business, results of operations, cash flow and financial condition.

The government of a ship's registry could requisition for title or seize the Group's ships. Requisition for title occurs when a government takes control of a ship and becomes the owner. A government could also requisition the Group's ships for hire. Requisition for hire occurs when a government takes control of a ship and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of the Group's ships could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The shipping industry is subject to substantial environmental and other regulations, which may significantly limit operations and increase expenses.

The Group's operations will be affected by extensive and changing international, supranational, national and local environmental protection laws, regulations, treaties and conventions in force in international waters, the jurisdictional waters of the countries in which the Group's vessels operate, as well as the countries of the vessels' registration, including, without limitation, those governing oil spills, discharges to air and water, management of ballast water, ship recycling and the handling and disposal of hazardous substances and wastes. Many of these requirements are designed to reduce the risk of oil spills and other pollution. The Group expects to incur substantial expenses in complying with these laws and regulations, including expenses for vessel modifications and changes in operating procedures.

The Group is required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates for its vessels. The types of permits, licenses and certificates required depend on several factors, including the cargo transported, the waters in which the vessel operates, the nationality of the vessel's crew and the age of the vessel. The Group may not be able to obtain all permits, licenses and certificates required to permit its vessels to operate in the future. Additional laws and regulations, environmental or otherwise, may be adopted which could limit the Group's ability to do business or increase the cost of the Group doing business.

These requirements can affect the resale value or useful lives of the Group's vessels, require a reduction in cargo capacity, ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for environmental matters or result in the denial of access to certain jurisdictional waters or ports, or detention in, certain ports. Under local, national, supranational and foreign laws, as well as international treaties and conventions, the Group could incur material liabilities, including clean-up obligations, in the event that there is a release of petroleum or other hazardous substances from the Group's vessels or otherwise in connection with its operations. The Group could also become subject to personal injury or property damage claims relating to the release of or exposure to hazardous materials associated with its current or historic operations. In addition, failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of the Group's operations, including, in certain instances, seizure or detention of its vessels.

The Company believes that the heightened environmental, quality and security concerns of insurance underwriters, regulators and charterers will lead to additional regulatory requirements, including enhanced risk assessment and security requirements and greater inspection and safety requirements on vessels. As a result, the Group may be required to incur significant capital expenditures on its vessels to keep them in compliance or otherwise limit the Group's ability to conduct business.

2.4 Risks associated with the Group's business

The Group's earnings and business are subject to risk caused by counterparties in contracts, and failure and misrepresentation of such counterparties causing them not to meet their obligations could cause loss to the Group or otherwise materially and adversely affect the business of the Group.

The ability of each counterparty to perform its obligations under a contract with the Group will depend on a number of factors that are beyond the Group's control and may include, among other things:

- General economic conditions;
- The condition of the maritime and other industries to which the counterparty is exposed;
- The overall financial condition of the counterparty;
- Charter rates received for specific types of ships; and
- Various expenses.

The Group's ships may from time to time be chartered out on time charters. In depressed market conditions, charterers may no longer need a ship that is currently under time charter or may be able to obtain a comparable ship at lower rates. As a result, charterers may seek to re-negotiate the terms of their existing time charters or avoid their obligations under those contracts. Future contracts could permit a customer to terminate its contract early subject to the payment of a termination fee. Such fee may not fully compensate for the loss sustained by the Group. Should a counterparty fail to honor its obligations under its agreements with the Group, the Group could sustain significant losses, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The market value of the Group's current ships and those it acquires in the future may decrease, which could, among other things, cause the Group to be in non-compliance with its loan covenants or to incur losses if it decides to sell them following a decline in their market values.

Ship values are both cyclical and volatile, and may fluctuate due to a number of different factors, including, but not limited to:

- General economic and market conditions affecting the chemical tanker industry, including competition from other shipping companies;
- Availability of credit and other forms of financial liquidity;
- Charterers' preferences with respect to ship design, types, sizes and ages of available ships;
- The availability of other modes of transportation;
- Increases in the supply of ship capacity;
- Prevailing charter and freight rates;
- The cost of chemical tanker newbuildings;
- Changes to governmental, laws and regulations, including environmental protection laws and regulations and/or class rules; and
- The need to upgrade ships as a result of charterer requirements, technological advances in ship design or equipment or otherwise.

A decline in the fair market values of the Group's ships could result in the Group not being in compliance with its loan covenants. Consequently, a decline in the market value of the Group's current ships may lead to a breach of such covenant, which again may lead to the Group being required to provide cash or other security to the lenders or reduce the outstanding and available amount under the facility to restore the ratio to its required level, or to sell ships, or the lenders may accelerate the loans under the facility. As a result, the Group's business, financial condition, results of operations and cash flow could be materially and adversely affected.

In addition, a decline in the fair market values of the Group's ships may result in impairment adjustments in the Group's financial statements, which would adversely affect its financial results, and if for any reason the Group finds it necessary to sell any of its ships at a time when prices are depressed, the Group could incur a significant loss.

The Group may not be able to keep pace with technological developments in the chemical tanker market.

Future technological developments for chemical tankers may result in substantial improvements in ships equipment functions and performance. As a result, the Group's future success and profitability may be dependent in part upon its ability to:

- Maintain existing ships and related equipment and services;
- Cost effectively address the increasingly sophisticated needs of its customers; and
- Anticipate changes in technology and industry standards and respond to technological developments on a timely basis.

If the Group is not successful in timely responding to technological developments or changes in industry standards, on a cost-effective basis, this could have a material and adverse effect on the Group's business.

The Group's operating and maintenance costs may not necessarily fluctuate in proportion to changes in operating revenues.

The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenues. Operating revenues may fluctuate as a function of changes in supply and demand for marine chemical shipping services, which in turn affect charter rates. In addition, equipment maintenance costs fluctuate depending upon the type of activity the ship is performing and the age and condition of the equipment. In a situation where a ship faces longer idle periods, reductions in costs may not be immediate as some of the crew may be required to prepare ships for stacking and maintenance in the stacking period. Should ships be idle for a longer period, the Group may seek to redeploy crew members, who are not required to maintain the ships, to active units to the extent possible. However, there can be no assurance that the Group will be successful in reducing its costs.

The Group's business involves numerous operating hazards and the Group's own insurance may not be adequate to cover the Group's losses.

The operations of the Group's ships are subject to hazards inherent in the industry where it operates, service down time on its ships, equipment defects, fires, explosions and pollution. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by employees, third parties or customers and suspension of operations. The operation of the Group's ships is also subject to hazards inherent in marine operations, such as capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal conditions, and failure of subcontractors to perform or supply goods or services, or personnel shortages.

Damage to the environment could also result from the Group's operations, particularly through spillage of fuel, lubricants or other chemicals and substances used in operations, or extensive uncontrolled fires. Although the Group carries Protection & Indemnity insurance, all risks are not completely insured against, and any particular claim may not be paid. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material.

The Group may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. Any uninsured or underinsured loss could harm the Group's business, financial condition and operating results. In addition, the Group's insurance may be voidable by the insurers as a result of certain of the Group's actions, such as the Group's ships failing to maintain certification with applicable maritime self-regulatory organizations.

The Group's insurance coverage will not in all situations provide sufficient funds to protect the Group from all liabilities that could result from its operations. The amount of the Group's insurance cover may be less than the related impact on enterprise value after a loss. The Group's coverage includes policy limits. As a result, the Group retains the risk for any losses in excess of these limits. Any such lack of reimbursement may cause the Group to incur substantial costs. In addition, the Group could decide to retain substantially more risk in the future. Moreover, no assurance can be made that the Group has, or will be able to maintain in the future, adequate insurance against certain risks.

If a significant accident or other event occurs and is not fully covered by the Group's insurance or any enforceable or recoverable indemnity from a client, it could adversely affect the Group's business, financial position, results of operations or cash flows.

The Group's ships are exposed to technical risk and down-time or off-hire.

In respect of both the ships operating in the spot market and the ships from time to time chartered out under time charter arrangements, the Group carries the costs and risks of operational and technical problems. In respect of ships operating in the spot market, ship down-time could increase the Group's costs and will reduce its earnings. In respect of ships chartered out under time charter arrangements, ship down-time may result in increased costs, as well as off-hire (i.e. non-payment of daily charter hire under the time charter). Any ship down-time or off-hire could adversely affect the Group's financial condition, results of operations and cash flows.

Failure to secure future employment for the Group's ships could materially and adversely affect the Group's results of operation, cash flow and financial condition.

No assurance can be given as to whether future employment for the Group's ships can be secured on terms, rates and with charterers, which are acceptable. Failure to secure future employment for the Group's ships could materially and adversely affect the Group's results of operation, cash flow and financial condition.

The required maintenance and dry-docking of the Group's ships could be more expensive and time consuming than originally anticipated.

Maintenance and dry-dockings of the Group's ships require significant capital expenditures and result in loss of revenue while such ships are out of service. Any significant increase in either the number of days ships are out of service due to such maintenance or dry-dockings or in the costs of any repairs carried out could have a material and adverse effect on the Group's profitability and cash flows. The Group may not be able to precisely predict the time required maintaining or dry-docking any of its ships and unanticipated problems may arise. General increases in demand for dry-docking services in the shipping industry could result in increased costs, delays or unavailability related to dry-docking for the Group's ships. If a ship is dry-docked longer than expected or if the cost of repairs or maintenance is greater than budgeted, the Group's results of operations, financial condition and cash flows could be materially and adversely affected.

Failure to obtain or retain highly skilled personnel could materially and adversely affect the Group's Operations.

The successful development and performance of the Group's business depends on the Group's ability to attract and retain skilled professionals with appropriate experience and expertise. Any loss of the services of any of the senior management or key personnel could have a material and adverse effect on the Group's business and operations. Obtaining charters with leading industry participants depends on a number of factors, including the ability to man ships with suitably experienced, high-quality masters, officers and crews. In recent years, the limited supply of and increased demand for well-qualified crew has created upward pressure on crewing costs, which the Group bears both in respect of its ships operating in the spot market and its ships that from time to time are chartered out under time charters. Increases in crew costs may adversely affect the Group's profitability. In addition, if the Group cannot retain sufficient numbers of quality on-board seafaring personnel, the Group's fleet utilization will decrease, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

The Group may face labor disruptions that could interfere with its operations and have a material negative effect on the Group's business, financial condition, result of operations and cash flows.

If not resolved in a timely and cost-effective manner, industrial action or other labor unrest could prevent or hinder the Group's operations from being carried out normally and could have a material negative effect on the Group's business, financial condition, results of operations and cash flows.

The ageing of the Group's fleet may result in increased operating costs in the future and a less competitive fleet.

In general, the cost of maintaining a ship in good operating condition increases with the age of the ship. As the Group's fleet ages, the Group will incur increased costs. Older ships are typically less fuel efficient and more costly to maintain than more recently constructed ships due to gradual improvements in engine technology and other design features. Cargo insurance rates increase with the age of a ship, making older ships less desirable to spot customers and charterers. Governmental regulations and safety or other equipment standards related to the age of ships may also require expenditures for alterations or the addition of new equipment to the Group's ships

and may restrict the type of activities in which the Group's ships may engage. The Group cannot assure that, as the Group ships age, market conditions will justify those expenditures or enable the Group to operate its ships profitably during the remainder of their useful lives.

The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders.

The Company will conduct its operations through, and most of the Company's assets will be owned by, its subsidiaries. As such, the cash that the Company obtains from its subsidiaries is the principal source of funds necessary to meet its obligations. Contractual provisions or laws, as well as the Company's subsidiaries' financial condition, operating requirements, restrictive covenants in its debt arrangements and debt requirements, may limit the Company's ability to obtain cash from subsidiaries that it requires to pay its expenses or meet its debt service obligations or to pay dividends to its shareholders.

A payment default by the Company, or any of the Company's subsidiaries, on any debt instrument would have a material and adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Group relies on information technology systems and other operating systems to conduct its business, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations.

The Group relies on information technology (IT) systems in order to communicate with vessels and achieve its business objectives. The Group likewise relies upon accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on these IT systems, and market standard virus control systems. The portfolio of hardware and software products, solutions and services used in the operation of the Group's business and these enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures, computer viruses, cyber-attacks or other malicious software programs. The failure or disruption of the IT systems to perform as anticipated for any reason could disrupt the Group's business and result in decreased performance, remediation costs, transaction errors, loss of data, processing inefficiencies, downtime, litigation and the loss of suppliers or clients. A significant disruption or failure could have a material adverse effect on the Group's business operations, financial performance and financial condition.

The Group may be subject to litigation that could have an adverse effect on the Group's business.

The Group is from time to time involved in litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, toxic tort claims, employment matters and governmental claims for taxes or duties as well as other litigation that arises in the ordinary course of business. The Group cannot predict with certainty the outcome of any claim or other litigation matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of management's attention to these matters, could have a material adverse effect on the Group. A list of the most material current disputes relating to the business of Eitzen Chemical is included in Section 9.11 "Legal proceedings".

Laws and regulations could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and restrict its ability to operate its ships or otherwise.

The Group is subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business. The operation of the Group's ships is subject to government oversight and regulation in the form of international conventions, sanctions, national, state and local

laws and regulations in force in the jurisdictions in which the ships operate, as well as in the country or countries of their registration. Because such conventions, laws and regulations are often revised, the Group cannot predict the ultimate cost of complying with such conventions, laws and regulations or the impact thereof on the re-sale prices or useful lives of the Group's ships. The Group may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to: air emissions, including greenhouse gases; the management of ballast waters; maintenance and inspection; development and implementation of emergency procedures; and insurance coverage or other financial assurance of the Group's ability to address pollution incidents.

A change in tax laws of any country in which the Group operates from time to time, or complex tax laws associated with international operations which the Group may undertake from time to time, could result in a higher tax expense or a higher effective tax rate on the Group's earnings.

The Group will from time to time conduct operations through various subsidiaries in countries throughout the world and the Group's ships will have voyages to and from, and will call on ports, in countries throughout the world. The Group may, for example, be exposed to tax liability in countries where its ships operate, computed on the basis of a percentage of its charter revenue and the number of days spent in that country. The Group and the Company's shareholders may also become subject to Controlled Foreign Corporations (CFC) taxation. Tax laws and regulations are highly complex and subject to interpretation and change.

In addition, the Company is, to a certain extent, exposed to different rules of freight duty and withholding tax and there are several countries that may tax freight income, including the US. In the US, 50% of the gross shipping income of a vessel owning or chartering corporation, such as ourselves and our subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States, may be subject to a 4% United States federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the applicable Treasury Regulations promulgated thereunder.

There are factual circumstances beyond our control that could cause us to obtain or lose the benefit of this tax exemption and become subject to United States federal income tax on our United States source shipping income.

If we or our subsidiaries are not entitled to exemption under Section 883 of the Code for any taxable year, we, or our subsidiaries, could be subject during those years to an effective 2% United States federal income tax on gross shipping income derived during such a year that is attributable to the transport of cargoes to or from the United States. The imposition of this tax would have a negative effect on our business and would result in decreased earnings available for distribution to our shareholders.

A loss of a major tax dispute or a successful tax challenge to the Group's operating structure from time to time or other disputes related to or challenges to the Group's tax payments could result in a higher tax rate on the Group's earnings.

The Company's and / or its subsidiaries' activities will to a large extent be governed by the fiscal legislation of the jurisdictions where it is operating. Thus, the Company is exposed to a material risk regarding the correct application of the tax regulations as well as possible future changes in the tax legislation of those relevant countries.

From time to time the Group's tax payments may be subject to review or investigation by tax authorities of the jurisdictions in which the Group operates from time to time. If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries, or if the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, its effective tax rate on its earnings could increase substantially.

Need for additional funding.

The Company's future capital requirements and level of expenses depend on numerous factors, including, among other things, the timing and terms on which charter parties and other contracts can be negotiated, the amount of cash generated from operations, the level of demand for its services and general industry conditions. There can be no assurance that the Company's business in the future will generate sufficient cash flow from operations to service its debt and fund future capital requirements and expenses.

In the event that the Company's existing resources are insufficient to fund the Company's business activities, the Company may need to raise additional funds through public offerings or private placements of debt or equity securities. The Company cannot guarantee that it will be able to obtain additional financing at all or on terms acceptable to the Company. Failure to do so could have a material adverse effect on the Company's business, operations and financial condition.

The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders.

The Group's credit facility contains, and any future bank loan agreements may contain, covenants and event of default clauses, including cross default provisions and restrictive covenants and performance requirements, such as loan-to-fleet value requirements and change of control provisions, which may affect operational and financial flexibility of the Group. The satisfaction of these restrictive covenants and performance requirements may be outside of the Group's control. Such restrictions could affect, and in many respects limit or prohibit, among other things, the Group's ability to pay dividends, incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. These restrictions could further limit the Group's ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. There can be no assurance that such restrictions will not materially and adversely affect the Group's ability to finance its future operations or capital needs.

The Group's future cash flows may be insufficient to meet all of its debt obligations and contractual commitments. To the extent that the Group is unable to repay its indebtedness as it becomes due or at maturity, the Group may need to refinance its debt, raise new debt, sell assets or repay the debt with the proceeds from equity offerings. See Section 12.8.1 "Material Borrowings" for a description of the covenants applicable under the credit facility.

Additional indebtedness or equity financing may not be available to the Group in the future for the refinancing or repayment of existing indebtedness, and the Group may not be able to complete asset sales in a timely manner sufficient to make such repayments.

Fluctuations in exchange rates and non-convertibility of expenses could affect the Group's cash flow and financial condition.

The Group has primarily currency exposure to transaction risk related to its operating expenses.

Transaction risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to transaction risks due to fluctuations in exchange rates as it receives revenue primarily in USD but a portion of its operating and administrative and general expenses are in local currencies, i.e. NOK, DKK, EUR and SGD. Further, some of the purchase options on leased vessels are in JPY. In certain markets where the Group operates, it may experience currency exchange losses when revenue is received and expenses are paid in non-convertible

currencies or when the Group does not hedge an exposure to the relevant foreign currency. Significant changes in foreign exchange rates could materially adversely affect the Company's results from operations, financial condition and competitiveness.

Interest rate fluctuations could affect the Group's cash flow and financial condition.

The Group has incurred, and may in the future incur, significant amounts of debt. The Group is exposed to interest rate risk primarily in relation to its long-term borrowings issued at floating interest rates. If the Group were to hedge some or all of its interest rate exposure, there can be no assurance that such hedging arrangements will be effective. As such, movements in interest rates could affect the Group's cash flow and financial condition.

2.5 Risks related to the Team Tankers Shares

The price of the Team Tankers Shares may fluctuate significantly.

The trading price of the Team Tankers Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including, but not limited to, quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, or any other risk discussed herein materializing or the anticipation of such risk materializing.

In recent years, the global stock markets have experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the shipping industry. Those changes may occur without regard to the operating performance of these companies. The price of the Team Tankers Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of the Team Tankers Shares.

Future sales, or the possibility for future sales of substantial numbers of Team Tankers Shares may affect the Team Tankers Shares' market price.

The Company cannot predict what effect, if any, future sales of the Team Tankers Shares, or the availability of the Team Tankers Shares for future sales, will have on their market price. Sales of substantial amounts of the Team Tankers Shares in the public market following the Exchange Offer, or the perception that such sales could occur, may adversely affect the market price of the Team Tankers Shares, making it more difficult for holders to sell their shares or the Company to sell equity securities in the future at a time and price that they deem appropriate.

Future issuances of Team Tankers Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Team Tankers Shares.

It is possible that the Company may in the future decide to offer additional shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. There can be no assurance the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not be able to purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, holdings and voting interests of existing shareholders may be diluted.

Exchange rate fluctuations could adversely affect the value of the Team Tankers Shares and any dividends paid on the Team Tankers Shares for an investor whose principal currency is not NOK.

The Team Tankers Shares will be priced and traded in NOK on the Oslo Stock Exchange and, although any future payments of dividends on the Team Tankers Shares will be denominated in USD, such dividends will be distributed through the VPS in NOK.

Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will however receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of Nordea Bank Norge ASA ("**Nordea**"), being the Company's VPS registrar, to issue a cheque in a local currency, a cheque will be issued in USD. The issuing and mailing of cheques will be executed in accordance with the standard procedures of Nordea, Foreign Payments Department. The exchange rate(s) that is applied will be Nordea's rate on the date of issuance. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Furthermore, the market value of the Team Tankers Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Team Tankers Shares and of any dividends paid on the Team Tankers Shares for an investor whose principal currency is not NOK.

Investors may not be able to exercise their voting rights for shares registered in a nominee account.

Beneficial owners of the Team Tankers Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote such shares unless their ownership is re-registered in their names with the VPS prior to general meetings. The Company can provide no assurances that beneficial owners of the Team Tankers Shares will receive the notice of a general meeting in time to instruct their nominees to effect a reregistration of the beneficial interests registered in the VPS.

The transfer of the Team Tankers Shares is subject to restrictions under the securities laws of the United States and other jurisdictions.

The Team Tankers Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside Norway and Bermuda and are not expected to be registered in the future. As such, the Team Tankers Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. See Section 4 "General Information". In addition, there can be no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

Bermuda law permits the transfer of shares listed or admitted to trading on an appointed stock exchange (as such term is defined in the Bermuda Companies Act (an "**Appointed Stock Exchange**")) such as the Oslo Stock Exchange and Oslo Axess, to be effected in accordance with the rules of such stock exchange without a written instrument of transfer. Further, the Bermuda Monetary Authority has, pursuant to the Exchange Control Act 1972 of Bermuda and associated regulations, granted its consent for the issue and transfer of the Team Tankers Shares to residents and non-residents of Bermuda for exchange control purposes provided that the Team Tankers Shares are listed on the Oslo Stock Exchange, Oslo Axess or any other Appointed Stock Exchange on or within fourteen days or the relevant issue or transfer. Accordingly, the Team Tankers Shares can be registered in the VPS and title to the Team Tankers Shares can be evidenced and transferred without a written instrument and the consent of the Bermuda Monetary Authority for the issuance and transfer of shares shall apply as long as the Team Tankers Shares are listed on the Oslo Stock Exchange or Oslo Axess. If the Team Tankers Shares are no longer listed or admitted to trading on the Oslo Stock Exchange, Oslo Axess or any other Appointed Stock Exchange, or if the Oslo Stock Exchange or Oslo Axess ceases to be an Appointed Stock Exchange, the Team

Tankers Shares may only be transferred by written instrument in accordance with the terms of the Bye-laws of the Company and with the prior consent of the Bermuda Monetary Authority.

The Company may be unwilling or unable to pay any dividends in the future.

The Company may choose not, or may be unable, to pay dividends in future years. The amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial condition, capital requirements, the sufficiency of its distributable reserves, the ability of the Company's subsidiaries to pay dividends to the Company, credit terms, general economic conditions, legal restrictions (as set out in Section 13.2 "Legal constraints on the distribution of dividends") and other factors that the Company may deem to be significant from time to time.

3 RESPONSIBILITY FOR THE DOCUMENT

This Document has been prepared by Team Tankers International Ltd. in connection with the Exchange Offer, the Offering and the listing of the shares in Team Tankers International Ltd. on Oslo Stock Exchange or alternatively Oslo Axess.

The Board of Directors of Team Tankers International Ltd. accepts responsibility for the information contained in this Document. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

29 January 2015

The Board of Directors of Team Tankers International Ltd.

_____	_____
Aage Figenschou	John O'Kelly Lynch

4 GENERAL INFORMATION

4.1 Selling Restrictions

United States

The Team Tankers Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Transfer of the Team Tankers Shares will be restricted and each purchaser of the Team Tankers Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 4.2 "United States".

Until 40 days after the commencement of the Exchange Offer and the Offering, an offer or sale of Team Tankers Shares within the United States by a dealer, whether or not participating in the Exchange Offer, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than pursuant to an exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

European Economic Area

In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer to the public of any Consideration Shares which are the subject of the Exchange Offer contemplated by this Document may not be made in that Relevant Member State, other than the Exchange Offer in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the EU Prospectus Directive (as implemented in Norway), except that an offer to the public in that Relevant Member State of any Consideration Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are qualified investors as defined in the EU Prospectus Directive;

(b) to fewer than 100, or if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive; or

(c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive,

provided that no such offer of Consideration Shares shall require the Company to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Consideration Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Consideration Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

Canada

This Document is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Team Tankers Shares in Canada or any province or territory thereof. Any offer or sale of the Team Tankers Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

Bermuda

The Team Tankers Shares being offered may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 of Bermuda (as amended). Additionally, non-Bermudian persons may not carry on or engage in any trade or business in Bermuda unless such persons are authorized to do so under applicable Bermuda legislation. Engaging in the activity of offering or marketing the Team Tankers Shares in Bermuda to persons in Bermuda may be deemed to be carrying on business in Bermuda.

Additional jurisdictions

The Team Tankers Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia, Singapore, Hong Kong or any other jurisdiction in which it would not be permissible to offer the Consideration Shares.

In jurisdictions outside the United States and the EEA where the Exchange Offer would be permissible, the Consideration Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

4.2 Transfer Restrictions

United States

The Team Tankers Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Team Tankers Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Document and such other information as it deems necessary to make an informed decision, and satisfies each and all of the following requirements at the time of purchase that:

- The purchaser is authorized to consummate the purchase of the Team Tankers Shares in compliance with all applicable laws and regulations;

- The purchaser acknowledges that the Team Tankers Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer;

- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Team Tankers Shares was located outside the United States at the time the buy order for the Team Tankers Shares was originated and continues to be located outside the United States and has not

purchased the Consideration Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Team Tankers Shares to any person in the United States;

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Team Tankers Shares from the Company or an affiliate thereof in the initial distribution of such Shares;

- The purchaser is aware of the restrictions on the offer and sale of the Team Tankers Shares pursuant to Regulation S described in this Document;

- The Team Tankers Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;

- The Company shall not recognize any offer, sale, pledge or other transfer of the Team Tankers Shares made other than in compliance with the above restrictions; and

- The purchaser acknowledges that the Company and its advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Team Tankers Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Document and such other information as it deems necessary to make an informed investment decision, and satisfies each and all of the following at the time of purchase that:

- The purchaser is authorized to consummate the purchase of the Team Tankers Shares in compliance with all applicable laws and regulations;

- The purchaser acknowledges that the Team Tankers Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer;

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (iii) is acquiring such Team Tankers Shares for its own account or for the account of one or more other QIBs for which it is acting as duly authorized fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgments, representations and agreements herein with respect to each such account (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such QIBs as well), in each case for investment and not with a view to any resale or distribution to the Team Tankers Shares, as the case;

- The purchaser is aware that the Team Tankers Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Team Tankers Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in an offshore transaction in accordance with Regulation S (and not in a pre-arranged transaction resulting in the resale of such Team Tankers Shares into the United States), (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities

Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction;

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Team Tankers Shares from the Company or an affiliate thereof in the initial distribution of such Team Tankers Shares;

- So long as the Team Tankers Shares are restricted securities within the meaning of the US federal securities laws, no such shares may be deposited into any unrestricted depositary receipt facility established or maintained by a depositary bank;

- The Team Tankers Shares are "restricted securities" within the meaning of Rule 144A (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resale of any Team Tankers Shares, as the case may be;

- The Company shall not recognize any offer, sale pledge or other transfer of the Team Tankers Shares made other than in compliance with the above-stated restrictions; and

- The purchaser acknowledges that the Company and its advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Document in Norway) who receives any communication in respect of, or who acquires any Team Tankers Shares under, the offers contemplated in this Document will be deemed to have represented, warranted and agreed to and with the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive; and
b) in the case of any Team Tankers Shares acquired by it as a financial intermediary, as that term is used in Article3(2) of the EU Prospectus Directive, (i) the Team Tankers Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive; or (ii) where Team Tankers Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Team Tankers Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an "offer" in relation to any Team Tankers Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Team Tankers Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Team Tankers Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State.

4.3 Presentation of financial and other information

4.3.1 Financial information

The Group‘s audited consolidated financial statements as of and for the years ended 31 December 2013, 31 December 2012 and 31 December 2011, have been prepared in accordance with International Financial

Reporting Standards as adopted by the European Union ("**IFRS**") (the "**Financial Statements**"). The Group's unaudited interim financial statements as of and for the nine and three month periods ended 30 September 2014 and 2013 (the "**Interim Financial Statements**"), have been prepared in accordance with International Accounting Standard ("**IAS**") 34. The Company's audited consolidated financial statements as of and for the period since its inception up until 31 December 2014 ("**Team Tankers Ltd. Financial Statements**") have been prepared in accordance with IFRS. The Financial Statements, the Interim Financial Statements and the Team Tankers Ltd. Financial Statements are attached hereto as Appendices I-IV. The Financial Statements for the years ended 31 December 2013, 2012, and 2011 and the Team Tankers Ltd. Financial Statements have been audited by Ernst & Young AS, as set forth in their report thereon included herein. The Financial Statements, the Interim Financial Statements and Team Tankers Ltd. Financial Statements are together referred to as the "**Financial Information**".

4.3.2 Other information

In this Document, all references to "NOK" are to the lawful currency of Norway, all references to "USD" are to the lawful currency of the United States and all references to "EUR" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency.

4.4 Cautionary notice regarding forward looking statements

This Document contains certain forward-looking information and statements, including, but not limited to, certain statements set forth under Section 2 "Risk Factors", Section 13 "Dividends and Dividend Policy" and Section 9 "Business of the Group". Such forward-looking information and statements are based on the current, estimates and projections of the Company or assumptions based on the information currently available to the Company. Such forward-looking information and statements reflect current views with respect to future events and are subject to risks, uncertainties and assumptions. The Company cannot give assurance to the correctness of such information and statements. These forward-looking information and statements can generally be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements sometimes use terminology such as "targets", "believes", "expects", "aims", "assumes", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues", "estimate", "milestone" or other words of similar meaning and similar expressions or the negatives thereof. By their nature, forward-looking information and statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements that may be expressed or implied by the forward-looking information and statements in this Document. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition or results of operations could differ materially from that or those described herein as anticipated, believed, estimated or expected. Additional factors that could cause the Company's actual results, performance or achievements to differ materially include, but are not limited to, those discussed under Section 2 "Risk Factors".

Any forward-looking information or statements in this Document speak only as at the date of this Document. Except as required by applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this Document, including forward-looking information and statements, whether to reflect changes in the Company's expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this Document is based.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

4.5 AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Consideration Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

5 THE EXCHANGE OFFER AND OFFER OF CONSIDERATION SHARES

This section has been prepared by the Offeror in order to document the terms, conditions and limitations of its voluntary offer to acquire the Eitzen Chemical Shares pursuant to section 6-19 of the Norwegian Securities Trading Act.

5.1 Introduction

The Offeror hereby presents a voluntary offer to acquire all the shares in Eitzen Chemical against a consideration payable in Team Tankers Shares (previously defined as the "Exchange Offer"). As of the date of this Document, neither the Offeror nor any of its close associates hold any Eitzen Chemical Shares or any securities with the right to acquire Eitzen Chemical Shares.

Eitzen Chemical Shareholders accepting the Exchange Offer will receive 1 share in Team Tankers Ltd. for 3 Eitzen Chemical Shares. This represents the value equivalent of NOK 4.89 for each Eitzen Chemical Share based on the closing price of the Eitzen Chemical Shares on Oslo Stock Exchange on 28 January 2015.

This Document constitutes an offer to acquire all issued and outstanding Eitzen Chemical Shares from time to time under the Offer Period subject to the terms and conditions set forth in this Document. This Document is sent to all Eitzen Chemical Shareholders with known addresses appearing in the shareholder register of Eitzen Chemical in the VPS as of 28 January 2015 and to the investors participating in the Debt Conversion, except for Eitzen Chemical Shareholders located in jurisdictions where this Document may not be lawfully distributed. See section 5.15 "Restrictions on the Exchange Offer" for further information.

The Team Tankers Shares will only be offered or sold within the United States to Eitzen Chemical Shareholders reasonably believed to be QIBs in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act under Rule 144A.

Below is the expected timetable for the Exchange Offer. The Offeror reserves the right to extend the Offer Period at any time and in its sole discretion pursuant to section 5.7 "Offer Period".

Offer Period	From and including 30 January 2015 at 09:00 CET to and including 28 February 2015 at 06:00 CET
Completion of Settlement	On or about 5 March 2015
First day of trading on Oslo Stock Exchange or alternatively Oslo Axess of the shares in Team Tankers Ltd.	On or about 9 March 2015

5.2 The Offeror

Team Tankers International Ltd. was incorporated on 29 July 2014 by Eitzen Chemical as an exempted company limited by shares under the laws of Bermuda and in accordance with the Bermuda Companies Act. The Offeror's registration number is 49340. The Offeror's registered office address is at Williams House, 4th Floor, 20 Reid Street, Hamilton, HM 11, Bermuda, telephone: +1 441 296 4297.

As per the date of this Document, 100% of the Shares of the Offeror are owned by Eitzen Chemical. The Offeror was established for the sole purpose of launching the Exchange Offer.

The existing shares of the Offeror have been, and the Consideration Shares will be, created under the Bermuda Companies Act and registered in the VPS under ISIN BMG870871057. The Offeror has only one class of shares. All shares are freely transferable and rank in parity with one another and carry one vote per share.

5.3 The target company – Eitzen Chemical

Eitzen Chemical is a Norwegian public limited liability company organized under the Norwegian Public Limited Liability Companies Act of 19 June 1997 no. 45. Eitzen Chemical's organization number in the Norwegian Register of Business Enterprises is 989 990 500. Eitzen Chemical was incorporated on 15 June 2006 and has its registered office at Ruseløkkveien 6, 0251 Oslo, Norway. The mail address is P.O. Box 1794 Vika, 0122 Oslo, Norway. The telephone number is +47 24 00 61 00 and the company's website is www.eitzen-chemical.com.

Further details about Eitzen Chemical, the current fleet and an introduction to the chemical tankers market are included below in sections 9 and 8 of this Document.

5.4 Background and reason for the Exchange Offer – Use of Proceeds

Through the Exchange Offer, the Group is planning a re-domiciliation to Bermuda (the "**Relocation**"). The purpose of the contemplated Relocation is to establish a corporate structure which reflects Eitzen Chemical's ownership after the debt conversion. The shipping industry is a global, highly competitive industry. Thus, it is critical that the Group operates under favorable, stable and predictable legislative and regulatory conditions. The Exchange Offer is made in the long-term interest of the Group and its shareholders, as a simple and transparent way to relocate the holding company of the Group.

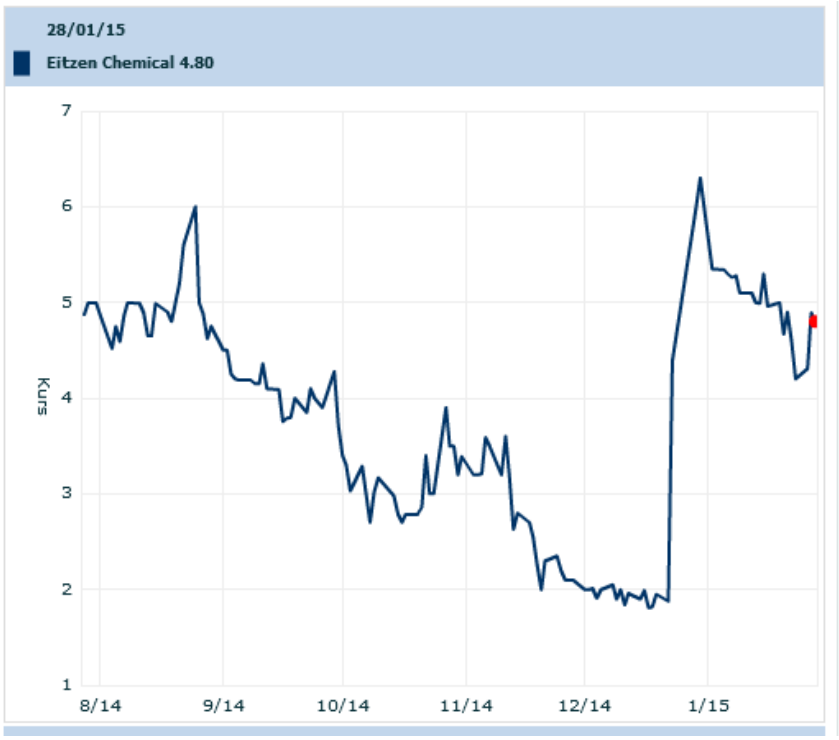
In exchange for the issuance of Team Tankers Shares in the Exchange Offer, Team Tankers Ltd. will receive Eitzen Chemical Shares. Team Tankers Ltd. will not receive any further proceeds under the Exchange Offer.

5.5 Exchange Ratio

Team Tankers Ltd. offers 1 Consideration Share for 3 Eitzen Chemical Shares. The reason for the Exchange Offer is the Group's contemplated re-domiciliation from Norway to Bermuda, and the value of 1 Consideration Share will equal the value of 3 Eitzen Chemical Shares.

Realization of Eitzen Chemical Shares by accepting the Exchange Offer may, for certain Eitzen Chemical Shareholders, result in a taxable capital gain or a deductible loss in the year of realization, see section 17 "Taxation" for brief description of certain tax implications of the Exchange Offer for Eitzen Chemical Shareholders subject to Norwegian tax laws.

The closing price of NOK 4.89 per Eitzen Chemical Share on Oslo Stock Exchange on 28 January 2015 values the total of all the outstanding Eitzen Chemical Shares at NOK 2,756 million as of such date (including Eitzen Chemical Shares issued in the Debt Conversion). The graph below illustrates the trading prices reported by Oslo Stock Exchange of Eitzen Chemical Shares during the period from 28 July 2014 to and including 28 January 2015.



Subject to approval by Oslo Stock Exchange, the Offeror may in its sole discretion increase the offer price. Any increase of the offer price will be announced prior to the expiration of the Offer Period in the manner described in section 5.16 of this Document

5.6 The Consideration Shares

The Consideration Shares will be issued under the laws of Bermuda and shareholders accepting the Exchange Offer will thus be a shareholder in a Bermuda exempted company. Section 15.7 of this Document provides a description of the memorandum of association, Bye-laws and Bermuda law applicable for the Offeror.

The Consideration Shares will be registered in book-entry form with VPS with ISIN BMG870871057. The Offeror's register of shareholders with the VPS will be administrated by Nordea, with address Middelthuns gate 17, P.O. Box 1166 Sentrum, 0107 Oslo, Norway. The Consideration Shares have a par value in USD, but will be quoted and traded in NOK on the Oslo Stock Exchange or alternatively Oslo Axess.

For the purpose of the Exchange Offer, the Offering and any subsequent mandatory offer, the shareholder of the Offeror resolved on 28 January 2015 to increase the authorized share capital of the Offeror to USD 10,000,000. Following the conditions of the Exchange Offer being met or waived, the Board of Directors of the Offeror will resolve to issue the Consideration Shares within the authorized share capital to the offerees in consideration for the tendering of shares of Eitzen Chemical.

Subject to completion of the Exchange Offer, the Consideration Shares are expected to be issued and delivered to the accepting Eitzen Chemical Shareholders on or about 5 March 2015.

The Consideration Shares will all carry shareholder rights, such as rights to dividends, from the time of their issue and registration in the VPS. The shares are freely transferable. See section 15 "Share capital and shareholder matters" for a description of shareholder rights and other shareholder matters.

5.7 Offer Period

The Offer Period starts on 30 January 2015 at 09:00 CET and expires on 28 February 2015 at 06:00 CET. Subject to approval by Oslo Stock Exchange, Team Tankers Ltd. may in its sole discretion extend the Offer Period one or more times, however, not beyond 15 March 2015. Any extension of the Offer Period will be announced prior to the expiration of the Offer Period in the manner described in section 5.16 of this Document. Any acceptance of the Exchange Offer will be binding on the tendering Eitzen Chemical Shareholders upon receipt by the Receiving Agent even if the Offer Period is extended.

5.8 Acceptance of the Exchange Offer

Eitzen Chemical Shareholders who wish to accept the Exchange Offer must complete and sign the acceptance form enclosed as Appendix VI to this Document (the "Exchange Offer Acceptance Form") and return it to the Receiving Agent before the expiration of the Offer Period on 28 February 2015 at 06:00 hours (CET) (or such time that the Offer Period may be extended to). The Exchange Offer Acceptance Form can be submitted by fax, hand delivery, mail or by e-mail. As the Exchange Offer Acceptance Form must be received by the Receiving Agent before 28 February 2015 at 06:00 hours (CET) (or such time that the Offer Period may be extended to), it is not sufficient to mail the Exchange Offer Acceptance Form on 27 February 2015.

If an Eitzen Chemical Shareholder would like to accept the Exchange Offer in respect of less than all of the Eitzen Chemical Shares registered on such shareholder's account in the VPS, such shareholder should tick off the "Partial acceptance" box in the Exchange Offer Acceptance Form. Otherwise, an acceptance of the Exchange Offer will cover all Eitzen Chemical Shares the shareholder holds or acquires and that are registered on the VPS account stated in the Exchange Offer Acceptance Form when the VPS account is debited. Eitzen Chemical Shareholders who own Eitzen Chemical Shares registered on more than one VPS account must submit a separate Exchange Offer Acceptance Form for each account.

Fractions of Team Tankers Shares will not be allotted and issued to Eitzen Chemical Shareholders pursuant to the Exchange Offer and all fractional entitlements to Team Tankers Shares will be rounded down to the nearest whole number of Team Tankers Shares. Fractional entitlements of Team Tankers Shares will not be paid, nor will they be aggregated and sold in the market. Shareholders holding less than 3 Eitzen Chemical Shares will not receive any Consideration Shares and should therefore not accept the Exchange Offer.

The correctly completed and signed Exchange Offer Acceptance Form shall be sent by fax, delivered by hand, sent by mail or e-mail to the Receiving Agent at the following address:

ABG Sundal Collier Norge ASA
Munkedamsveien 45
P.O. Box 1444 Vika
0115 Oslo
Norway
Telephone: +47 22 01 60 00
Fax: +47 22 01 60 62
E-mail: acceptance@abgsc.no

Any Exchange Offer Acceptance Form that is incorrectly completed or that is received after the expiration of the Offer Period may be rejected without further notice. Subject to compliance with the requirements for equal treatment of shareholders in section 6-10 (9) of the Norwegian Securities Trading Act, the Offeror reserves the

right to approve acceptances that are not correctly completed and/or received after the expiration of the Offer Period.

Eitzen Chemical Shareholders, who own Eitzen Chemical Shares registered in the name of brokers, banks, investment companies or other nominees, must contact such persons to accept the Exchange Offer. Acceptance of the Exchange Offer for Eitzen Chemical Shares registered in the name of an investment manager must be done by the manager on behalf of the shareholder. All Eitzen Chemical Shares tendered in the Exchange Offer are to be transferred free of any encumbrances and any other third-party rights whatsoever and with all shareholder rights attached to them. Any third-party with registered encumbrances or other third-party rights over the relevant VPS account(s) must sign the Exchange Offer Acceptance Form and thereby waive its rights in the Eitzen Chemical Shares sold in the Exchange Offer and approve the transfer of the Eitzen Chemical Shares to the Offeror free and clear of any such encumbrances and any other third-party rights. Acceptances will be treated as valid only if any such rights holder has consented in signing on the Exchange Offer Acceptance Form for the sale and transfer of the shares free of encumbrances to the Offeror.

No confirmation of receipt of the Exchange Offer Acceptance Forms or other documents will be made on behalf of the Offeror. All notifications, documents and remittance that shall be delivered by or sent to or from the shareholders who accept the Exchange Offer (or their representatives) will be sent to or delivered by them at their own risk.

By delivering a duly executed Exchange Offer Acceptance Form, Eitzen Chemical Shareholders authorize the Receiving Agent to debit such accepting shareholder's VPS account, and to transfer its Eitzen Chemical Shares to the Offeror against delivery of the Consideration Shares upon completion of the Exchange Offer.

An acceptance of the Exchange Offer becomes irrevocable and may not be withdrawn, in whole or in part, at the time the Exchange Offer Acceptance Form is received by the Receiving Agent.

In accordance with the Norwegian Securities Trading Act, the Receiving Agent must categorize all new customers in one of three customer categories. All shareholders delivering the Exchange Offer Acceptance Form and who are not existing clients of the Receiving Agent will be categorized as nonprofessional clients. For further information about the categorization, the shareholder may contact the Receiving Agent. The Receiving Agent will treat the delivery of the Exchange Offer Acceptance Form as an execution only instruction from the shareholder to sell his/her/its shares under the Exchange Offer, since the Receiving Agent is not in the position to determine whether the acceptance and selling of shares is suitable or not for the shareholder.

5.9 Conditions for completion of the Exchange Offer

The obligation of Team Tankers Ltd. to complete the Exchange Offer is subject to the satisfaction of the following conditions:

1. The number of Eitzen Chemical Shares that are validly tendered to Team Tankers Ltd. in respect of the Exchange Offer represents more than 99.5 per cent of the issued share capital and votes in Eitzen Chemical;

2. The Board of Directors of Oslo Stock Exchange approves the Team Tankers Ltd. for listing on Oslo Stock Exchange or, alternatively, Oslo Axess and all conditions for listing on Oslo Stock Exchange or, alternatively, Oslo Axess, will be satisfied upon completion of the Exchange Offer;

3. All permits, consents and approvals required from applicable regulatory and governmental authorities for the completion of the Exchange Offer shall have been obtained or any applicable waiting periods

have expired or lapsed, in each case upon conditions satisfactory to Team Tankers Ltd. in its sole discretion; and

4. Eitzen Chemical shall have received necessary consents and/or waivers from third parties in order to effect the Exchange Offer without any adverse effect for Eitzen Chemical or its subsidiaries, in each case without conditions or upon conditions satisfactory to Team Tankers Ltd. in its sole discretion.

The Offeror reserves the right to waive in whole or in part the conditions listed in number 1, 3 and 4. The Offeror has at the date of this Document not identified any required permits, consents or approvals mentioned in condition 3 and 4 necessary for the completion of the Exchange Offer. As soon as each of the conditions above has been met, waived or failed to be met, the Offeror will issue a notification to that effect in accordance with the procedures set out in section 5.16 "Announcements and amendments to the Exchange Offer".

5.10 Drop-dead Date

In the event that the Offeror has not announced that the conditions for closing of the Exchange Offer have been met or waived and that the Exchange Offer will be completed by 16:30 CET on 15 March 2015 (the "**Drop-dead Date**"), the Exchange Offer will not be completed and shareholders who have tendered their Eitzen Chemical Shares will be released from their acceptances of the Exchange Offer.

No interest will be paid to shareholders for the period between the expiry of the Offer Period and the Drop-dead Date.

5.11 Blocking of tendered Shares

By delivering a duly executed Exchange Offer Acceptance Form, holders of Eitzen Chemical Shares give the Receiving Agent an authorization to block the Eitzen Chemical Shares to which the Exchange Offer Acceptance Form relates, in favor of the Receiving Agent. The Receiving Agent is at the same time authorized to transfer the Eitzen Chemical Shares to the Offeror against delivery of the Consideration Shares as further described in section 5.14. In the event that the Exchange Offer is cancelled, the blocking will be terminated. The Eitzen Chemical Shareholders undertake, from the time of delivering a duly executed Exchange Offer Acceptance Form not to, and it will from the time of blocking not be possible to, sell or in any other way dispose over, use as security, pledge, encumber or transfer, the Eitzen Chemical Shares covered by the Exchange Offer Acceptance Form. However, shareholders are free to dispose over any other securities registered in the same VPS account as the blocked shares.

5.12 Pre-acceptances

Irrevocable and unconditional pre-acceptances to the Exchange Offer, which are not subject to any applicable exceptions, are obtained from all the lenders participating in the Debt Conversion, securing acceptance of 98%. In addition, Jason Shipping AS has pre-accepted the Exchange Offer for its 3,835,119 Eitzen Chemical Shares. Thus, the Offeror has received pre-acceptances for the Exchange Offer for a total of 556,071,195 shares, representing approximately 98.68% of the outstanding Eitzen Chemical Shares and votes. The pre-accepting shareholders have undertaken to submit a duly completed and signed acceptance form during the Offer Period and only sell their Eitzen Chemical Shares to third parties subject to the pre-acceptance and the PSA. The pre-acceptances will no longer be valid if the Offeror has not announced that the conditions for closing of the Exchange Offer have been met or waived within the Drop-dead Date as set forth in section 5.10.

5.13 Shareholder rights

Shareholders that accept the Exchange Offer will remain the legal owners of their Eitzen Chemical Shares and retain voting rights and other shareholder rights related thereto until settlement has taken place, to the extent permitted under Norwegian law.

5.14 Settlement

Settlement will occur promptly, and no later than ten Business Days after the conditions for completion of the Exchange Offer have been met or waived, and is expected to occur on or about 5 March 2015, but in any event no later than 20 March 2015. Upon Settlement, the Eitzen Chemical Shares validly tendered for sale under the Exchange Offer will be transferred to Team Tankers Ltd. against issuance of Consideration Shares as described below.

When all the conditions for completion of the Exchange Offer have been met or waived and the Offer Period has expired, the Eitzen Chemical Shares tendered under the Exchange Offer will be transferred to a VPS settlement account of the Receiving Agent. The Receiving Agent will then transfer such shares to a VPS account in the name of the Offeror. This VPS account will be blocked in favor of the Receiving Agent on behalf of all the accepting Eitzen Chemical Shareholders. The Eitzen Chemical Shares will remain blocked on this VPS account until delivery of the Consideration Shares by the Offeror to a settlement account of the Receiving Agent has been completed. The Receiving Agent will thereafter deliver the Consideration Shares to the VPS accounts of the accepting Eitzen Chemical Shareholders which will be no later than ten Business Days after the conditions for completion of the Exchange Offer have been met or waived.

The Board of Directors of the Offeror is authorized to issue the Consideration Shares in connection with the completion of the Exchange Offer. Delivery of the Consideration Shares to the Eitzen Chemical Shareholders, by way of registration of the Consideration Shares on the Eitzen Chemical Shareholder's respective VPS account, will take place as soon as practicable after the settlement, and is expected to take place on or about 5 March 2015.

If the Offer Period is extended, settlement and other dates described above are expected to be delayed by the same time period as the extension.

In the event the Exchange Offer is not completed, the block established on the tendered Eitzen Chemical Shares will be released without undue delay.

5.15 Restrictions on the Exchange Offer

The distribution of this Document and the making of the Exchange Offer may in certain jurisdictions (including, but not limited to the US, Australia, Canada and Japan) be restricted by law. Therefore, persons obtaining this Document or into whose possession this Document otherwise comes, are required to, and should inform themselves of and observe, all such restrictions. The Offeror does not accept or assume any responsibility or liability for any violation by any person whomsoever of any such restriction.

This Document is not directed to persons whose participation in the Exchange Offer requires that further documents are issued or that registration or other measures are taken, other than those required under Norwegian law. No document or materials relating to the Exchange Offer may be distributed in or into any jurisdiction where such distribution or offering requires any of the aforementioned measures to be taken or would be in conflict with any law or regulation of such a jurisdiction. In the event of such distribution or offering still being made, an Exchange Offer Acceptance Form sent from such a country may be disregarded.

The Exchange Offer represents an offer by the Offeror to acquire Eitzen Chemical Shares and an offer of Consideration Shares to Eitzen Chemical Shareholders accepting the Exchange Offer. This Document does not represent an offer by the Offeror to acquire securities other than Eitzen Chemical Shares.

The Exchange Offer is not open to any Eitzen Chemical Shareholders in any jurisdiction in which it is unlawful for any person to receive or accept the Exchange Offer. No action has been taken to permit the distribution of the Exchange Offer in any jurisdiction where action would be required for such purposes (except Norway). With respect to each Relevant Member State other than Norway, no action has been undertaken or will be undertaken to make an offer to the public of the Company's securities requiring a publication of a prospectus in any Relevant Member State. As a result, the Consideration Shares may only be offered to Eitzen Chemical Shareholders in Relevant Member States other than Norway:

i. to any legal entity which is a qualified investor as defined in the EU Prospectus Directive;
ii. to fewer than 100, or if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive); or
iii. in any other circumstances falling within Article 3(2) of the EU Prospectus Directive.

To the Offeror's knowledge, the exemption in (ii) above, will be applicable in all Relevant Member States other than Norway. Eitzen Chemical Shareholders may contact the Receiving Agent for further information.

5.16 Announcements and amendments to the Exchange Offer

Subject to approval by Oslo Stock Exchange, the Offeror reserves the right to amend the Exchange Offer in its sole discretion at any time during the Offer Period, including without limitation, the Offer Price, provided however that the Offeror may not amend the Exchange Offer in a manner which disadvantages the Eitzen Chemical Shareholders. Any amendments are binding on the Offeror once a notice is published in accordance with the procedures as described below. Shareholders who have already accepted the Exchange Offer in its original form or with previous amendments will be entitled to any benefits arising from such amendments.

Notices in connection with the Exchange Offer will be published by notification through the online information system of Oslo Stock Exchange (www.newsweb.no). Notices will be deemed made when Oslo Stock Exchange has published the notice. The Offeror will without undue delay publish notifications through Oslo Stock Exchange if the conditions of the Exchange Offer are met or waived or if the Exchange Offer is cancelled.

5.17 Contact with Eitzen Chemical prior to the Exchange Offer

As per the date of this Document, Eitzen Chemical owns 100% of the Shares in Team Tankers Ltd. which was established for the purpose of the Relocation of the Group.

5.18 Mandatory offer requirements

If the Exchange Offer is completed and the Offeror, as a result of the Exchange Offer or otherwise, acquires Eitzen Chemical Shares representing more than 1/3 of the voting rights in Eitzen Chemical, the Offeror will be required under chapter 6 of the Norwegian Securities Trading Act to make a mandatory offer for the remaining Eitzen Chemical Shares. Alternatively, if the Offeror holds more than 90 per cent of the Eitzen Chemical Shares and votes, the Offeror may instead on certain conditions perform a compulsory acquisition as described in section 5.19 "Compulsory acquisition" below.

The offer price in the mandatory offer must be equal to, or higher than, the highest price paid, or agreed to be paid, by the Offeror for Eitzen Chemical Shares during the six month period prior to the date on which the obligation to make a mandatory offer is triggered. As at the date of this Document, the Offeror has not acquired any Eitzen Chemical Shares. In the absence of any other firm basis for the offer price, the offer price may be based on the volume weighted average trading price for the Eitzen Chemical Shares for a representative reference period prior to the conditions of the Exchange Offer have been met or waived or on other relevant factors required pursuant to applicable law.

5.19 Compulsory acquisition

If, as a result of the Exchange Offer, a subsequent mandatory offer or otherwise, the Offeror acquires and holds 90 per cent or more of the total issued Eitzen Chemical Shares representing 90 per cent or more of the voting rights in Eitzen Chemical, then the Offeror will have the right (and each remaining shareholder in Eitzen Chemical would have the right to require the Offeror) to initiate a compulsory acquisition of the remaining Eitzen Chemical Shares not owned by the Offeror pursuant to section 4-25 of the Public Limited Liability Companies Act.

A mandatory offer will not be required by law if the Offeror at the completion of the Exchange Offer holds more than 90 per cent of the voting rights in Eitzen Chemical and within four weeks of completion of the Exchange Offer initiates a compulsory acquisition offering a purchase price equal to, or higher than the price that would have been offered in a mandatory offer (see section 5.18 "Mandatory offer requirements") and procures the issuance of a bank guarantee for payment of the settlement in accordance with section 6-22 of Norwegian Securities Trading Act.

If the Offeror presents the offer price in a compulsory acquisition in writing to all of the remaining shareholders with a known address, and the offer is announced in the Norwegian Register of Business Enterprises' electronic bulletin for public announcement, the Offeror may set a time limit for each shareholder to contest or refuse the offer. Such time limit shall not be shorter than two months from the time of announcement in the Norwegian Register of Business Enterprises' electronic bulletin for public announcement.

5.20 De-listing of the Eitzen Chemical Shares and Listing of the Team Tankers Shares

Following completion of the Exchange Offer and approval of the Listing of the Team Tankers Shares, the Offeror intends to propose to the general meeting of Eitzen Chemical to apply to Oslo Stock Exchange for the de-listing of the Eitzen Chemical Shares. Any application for de-listing will be approved or rejected by Oslo Stock Exchange in accordance with the Stock Exchange rules—Continuing Obligations of stock exchange listed companies. In its review of an application for de-listing, Oslo Stock Exchange will in particular take into consideration the interests of minority shareholders. The board of directors of Oslo Stock Exchange may also decide on its own initiative to de-list the Eitzen Chemical Shares should the conditions for listing no longer be fulfilled, for instance following initiation of a compulsory acquisition.

On 28 January 2015, Team Tankers Ltd. applied for Listing of its Shares on Oslo Stock Exchange. The application for Listing is expected to be considered by the Board of Oslo Stock Exchange on 25 February 2015. The application for Listing comprises all shares issued by the Offeror, including the Consideration Shares and the Offer Shares. Subject to completion of the Exchange Offer and satisfaction of the requirements for Listing as determined by Oslo Stock Exchange, Team Tankers Ltd. is expected to be listed on or about 9 March 2015.

5.21 Expenses

Shareholders who accept the Exchange Offer will not have to pay brokerage fees as a result of submitting acceptances to the Receiving Agent. The Offeror will pay VPS-transaction costs that may occur as a direct consequence of the shareholders accepting the Exchange Offer, if any. The Offeror will not cover any other costs that an Eitzen Chemical Shareholder may incur in connection with acceptance of the Exchange Offer.

The total expenses which will be covered by Team Tankers Ltd. in connection with the Exchange Offer and the Listing is expected to amount to approximately NOK 6 million.

5.22 Dilution

All 1,000,000 Team Tankers Shares currently held by Eitzen Chemical will be held as treasury shares by Eitzen Chemical.

Provided that all Eitzen Chemical Shareholders tender all their Eitzen Chemical Shares under the Exchange Offer, the shareholder structure in Team Tankers Ltd. following the completion of the Exchange Offer will be the same as the shareholder structure in Eitzen Chemical as of the expiry of the Offer Period. Dilution following the Offering is described in section 6.9 of this Document.

If an Eitzen Chemical Shareholder does not tender its Eitzen Chemical Shares under the Exchange Offer, and the Exchange Offer is completed, then such Eitzen Chemical Shareholder runs the risk of being subject to a compulsory acquisition as described in Section 5.19 "Compulsory acquisition".

5.23 Plans for the operation of Eitzen Chemical's business

The Exchange Offer is conducted for the purpose of re-locating the Group to Bermuda. Following completion of the Exchange Offer, Team Tankers Ltd. will continue the business of the Group through Team Tankers Ltd. as holding company and listed entity. Following the Exchange Offer, Eitzen Chemical will be a subsidiary of Team Tankers Ltd. and will carry out management services for Team Tankers Ltd. Following completion of the Exchange Offer, the Offeror intends to implement the Restructuring as further detailed in section 7 "The Relocation of the Group".

5.24 Consequences for Eitzen Chemical's employees and management

As management of the Group following completion of the Exchange Offer will continue to be carried out by Eitzen Chemical, it is not expected that the implementation of the Exchange Offer will have any significant legal, economic or work-related consequences for the employees of Eitzen Chemical.

5.25 Statements in relation to the Exchange Offer

According to the Norwegian Securities Trading Act section 6-19, cf. section 6-16, the Board of Directors of Eitzen Chemical must issue a statement regarding the Exchange Offer. However, as the Exchange Offer is initiated by Eitzen Chemical, and as such is in agreement with the Board of Directors of Eitzen Chemical, Oslo Stock Exchange has instructed Eitzen Chemical to engage an independent advisor to issue a statement regarding the Exchange Offer pursuant to the Securities Trading Act section 6-16. Therefore, Eitzen Chemical has engaged Advokatfirmaet CLP DA to issue an independent statement regarding the Exchange Offer on behalf of Eitzen Chemical. The independent statement is attached as Appendix VIII to this Document.

The Board of Directors of Eitzen Chemical unanimously recommends the Exchange Offer by Team Tankers and has announced its view in a statement attached as Appendix IX to this Document.

5.26 Purchase of Eitzen Chemical Shares outside the Exchange Offer

The Offeror and/or its affiliates or their brokers (acting as agents) can during and after the Offer Period purchase or make arrangements to purchase Eitzen Chemical Shares or other securities that are immediately convertible into, exchangeable or exercisable for, Eitzen Chemical Shares, in accordance with applicable regulations.

5.27 Tax

Eitzen Chemical Shareholders accepting the Exchange Offer are themselves responsible for any tax liability arising as a result of the settlement and any costs incurred in obtaining advice in this matter. A general description of certain of the tax implications of the Exchange Offer and the issuance of the Consideration Shares is included under section 17 "Taxation" below.

5.28 Governing law and jurisdiction

This Document, the Exchange Offer Acceptance Form and the terms and conditions of the Exchange Offer shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Document, the Acceptance From or in respect of the Exchange Offer shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo District Court as legal venue, save for the issuance of the Consideration Shares which shall be subject to Bermuda law.

5.29 Special rights or benefits

The Exchange Offer does not confer any special advantages to the members of the management or governing bodies of Eitzen Chemical Furthermore, no members of the Eitzen Chemical management or governing bodies have been offered the prospect of such advantages. However, the Offeror is contemplating an Employee Offering as further described in section 6.3 of this Document,

5.30 Interest of natural and legal persons involved in the Exchange Offer

The aim of the Exchange Offer and the Relocation (as described in section 7.1 below) is to establish a corporate structure which reflects the Offeror's new ownership after completed debt conversion. Thus it is in the Offeror's shareholders interest that the Exchange Offer is completed.

5.31 Miscellaneous

This Document is sent to all shareholders of Eitzen Chemical whose address appears in the share register of Eitzen Chemical in the VPS on 28 January 2015 and to the investors participating in the Debt Conversion, except that shareholders residing in jurisdictions where the Document may not be lawfully distributed have been excluded from the distribution hereof. Shareholders resident outside of Norway should read section 5.15 ("Restrictions on the Exchange Offer").

6 THE OFFERING

6.1 Overview of the Offering

As described in section 5.20 "De-listing of Eitzen Chemical Shares and Listing of the Team Tankers Shares", the Company applied for Listing of its Shares on Oslo Stock Exchange or alternatively Oslo Axess on 28 January 2015. In order to be approved for Listing on Oslo Stock Exchange, the Company must inter alia have in excess of 500 shareholders, each holding shares with a value of more than NOK 10,000. In order to meet this requirement, the Company contemplates to complete an offering divided into two tranches (the "Offering").

The net proceeds from the Offering will primarily be used for general corporate purposes. The Offering will increase the number of shareholders in the Company.

The Offer Shares offered in the Offering and the Consideration Shares offered in the Exchange Offer are all of the same class and will have ISIN BMG870871057.

The Offering will comprise of:

- The Retail Offering comprises of a number of Offer Shares with gross proceeds of up to NOK 3 million, in which Offer Shares are being offered to the public in Norway, subject to a lower limit per application of an amount of NOK 12,500 and an upper limit per application of an amount of NOK 25,000 for each investor. Each investor in the Retail Offering will receive a discount of NOK 1,500.

- The Employee Offering with gross proceeds of up to NOK 900,000, in which Offer Shares are being offered to the Group's management companies which will deliver such Offer Shares to its onshore employees as bonus in accordance with internal instructions.

6.2 The Retail Offering

6.2.1 Overview

The Retail Offering is a public offering to investors in Norway who do not hold Eitzen Chemical Shares with a value of more than NOK 12,500. Allocation in the Retail Offering may also be made to investors in other jurisdictions that are not prohibited to subscribe through applicable laws of their jurisdiction. The Retail Offering is subject to a minimum application amount of NOK 12,500 and a maximum application amount of NOK 25,000 for each applicant. Each investor being allocated shares in the Retail Offering will receive a discount of NOK 1,500.

6.2.2 Offer Price

The Offer Price for the Offer Shares offered in the Retail Offering will be three times (i.e. corresponding to the exchange ratio in the Exchange Offer) the volume weighted average trading price in the Eitzen Chemical Share the last 5 business days of the Retail Application Period (as defined below).

6.2.3 Retail Application Period

The period during which applications for Offer Shares in the Retail Offering will be accepted (the "Retail Application Period") will last from and including 09:00 CET on 30 January 2015 until 16:30 CET on 27 February 2015. Applications submitted after the expiry of the Retail Application Period may be discarded by the Receiving Agent. The Company reserves the right to extend the Retail Application Period at any time, depending on the number and size of orders or applications received in the Offering, in the aggregate or individually. Any extension of the Retail Application Period will be announced through the information system of Oslo Stock Exchange no later than 09:00 CET on the day following the last day of the (then prevailing) Retail Application

Period. An extension may take place one or several times, provided, however, that the Retail Application Period will in no event be extended beyond 16:30 CET on 15 March 2015. In the event of extension, the allocation date, the first trading date, the payment dates and the dates of delivery of Offer Shares may be extended accordingly upon notice through the Oslo Stock Exchange information system.

6.2.4 Acceptance of the Offering

Norwegian applicants in the Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following website: www.abgsc.no. Applicants in the Offering not having access to the VPS online application system must apply using the application form attached to this Document as Appendix VII (the Offering Application Form). The Offering Application Form must be completed and signed and returned to the Receiving Agent before the expiration of the Retail Application Period 27 February 2015 at 16.30 hours (CET) (or such time that the Retail Application Period may be extended to). The Offering Acceptance Form can be submitted by fax, hand delivery, mail or by e-mail. As the Offering Acceptance Form must be received by the Receiving Agent before 27 February 2015 at 16:30 hours (CET) (or such time that the Retail Application Period may be extended to), it is not sufficient to mail the Offering Acceptance Form on 27 February 2015. Applications made through the VPS online application system must be duly registered during the Retail Application Period.

The correctly completed and signed Offering Acceptance Form shall be sent by fax, delivered by hand, sent by mail or e-mail to the Receiving Agent at the following address:

ABG Sundal Collier Norge ASA
Munkedamsveien 45
P.O. Box 1444 Vika
0115 Oslo
Norway
Telephone: +47 22 01 60 00
Fax: +47 22 01 60 62
E-mail: subscription@abgsc.no

Any Offering Acceptance Form that is incorrectly completed, that is received after the expiration of the Retail Application Period or any application which may be unlawful, may be rejected without further notice.

Multiple applications are not allowed. In the event an applicant, or his personally related parties, submits two or more Offering Application Forms, the applicant runs the risk of either having the multiple applications accumulated or either of, or all of the applications annulled at the discretion of the Company.

The Board or the Receiving Agent may in its sole discretion waive any defect or irregularity in the Offering Application Forms, (and as such accept any incorrectly completed Application Forms), permit such defect or irregularity to be corrected within such time as the Board or the Receiving Agent may determine, or reject the purported application for any Offer Shares in the Retail Offering. It cannot be expected that Offering Application Forms will be deemed to have been received or accepted until all irregularities have been cured or waived within such time as the Board or the Receiving Agent shall determine. Neither the Board, the Company, nor the Receiving Agent will be under any duty to give notification of any defect or irregularity in connection with the submission of an Offering Application Form or assume any liability for failure to give such notification.

No confirmation of receipt of the Offering Acceptance Forms or other documents will be made on behalf of the Offeror. All notifications, documents and remittance that shall be delivered by or sent to or from the shareholders who accept the Offering (or their representatives) will be sent to or delivered by them at their own risk.

An acceptance of the Offering becomes irrevocable and may not be withdrawn, in whole or in part, at the time the Offering Acceptance Form is received by the Receiving Agent.

In accordance with the Norwegian Securities Trading Act, the Receiving Agent must categorize all new customers in one of three customer categories. All shareholders delivering the Offering Acceptance Form and who are not existing clients of the Receiving Agent will be categorized as nonprofessional clients. For further information about the categorization, the shareholder may contact the Receiving Agent. The Receiving Agent will treat the delivery of the Offering Acceptance Form as an execution only instruction from the shareholder, since the Receiving Agent is not in the position to determine whether the acceptance of the Offering is suitable or not for the shareholder.

6.2.5 Allocation, payment and delivery of Offer Shares in the Retail Offering

In the Retail Offering, the applicants will receive a minimum allocation of Offer Shares with a value of NOK 12,500 based on the Offer Price, rounded to the nearest one Offer Shares, and a maximum allocation of Offer Shares with value of NOK 25,000 based on the Offer Price.

If the Retail Offering is oversubscribed or the Board resolves to issue less Offer Shares than have been subscribed, the identity of the applicants to whom Offer Shares will be issued will be determined by drawing lots or applying similar mechanisms. The Company's or Eitzen Chemical's current shareholders will not have any pre-emption rights in the Offering, and Eitzen Chemical Shareholders holding shares with a value of more than NOK 12,500 will not be allotted any Offer Shares.

All applicants being allotted Offer Shares in the Retail Offering will receive a letter confirming the number of Offer Shares allotted and the corresponding amount to be paid. These letters are expected to be mailed on or about 2 March 2015.

Each applicant in the Retail Offering must, and will by completing and signing the Offering Application Form, provide a onetime authorization to the Receiving Agent to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares allotted to such applicant in the Retail Offering.

It is expected that the amount will be debited on or about 4 March 2015 (the "Retail Payment Date"). However, there must be sufficient funds in the specified bank account from and including 3 March 2015. The Receiving Agent is only authorized to debit such account once, but reserve the right to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Retail Payment Date. If there are insufficient funds on the specified bank account or it is impossible to debit the specified bank account for the amount that the applicant is obligated to pay, or payment is not received by the Receiving Agent according to other instructions, the applicant's obligation to pay for the Offer Shares will be deemed overdue.

Applicants who do not have a Norwegian bank account must ensure that payment for their Offer Shares allocated in the Retail Offering with cleared funds is made on or before 08:00 CET on 4 March 2015 and should contact the Receiving Agent in this respect.

For late payments, penalty interest will accrue at a rate equal to the prevailing interest rate, pursuant to the Norwegian Act on Interest on Overdue Payment of December 17, 1976 no. 100, which at the date of this Document was 9.25% per annum.

If an applicant fails to comply with the terms of payment, the Offer Shares will, subject to the discretion of the Receiving Agent, not be delivered to the applicant, and the Receiving Agent reserves the right, at the risk and cost of the applicant (however, so that the applicant will not be entitled to any profit therefrom), to cancel the

application and to re-allot or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Receiving Agent may decide in accordance with Norwegian law. The original applicant remains liable for payment of the Offer Price for the Offer Shares allocated to the applicant together with any interest, cost, charges and expenses suffered or incurred by the Company or the Receiving Agent as a result of or in connection with such sales, and the Company or the Receiving Agent may enforce payment for any such amount outstanding.

All applicants in the Retail Offering must have a valid VPS account to receive Offer Shares. The VPS account number must be stated on the Application Form. VPS accounts can be established with authorized VPS registrars, which can be Norwegian banks, authorized investment firms in Norway and Norwegian branches of credit institutions established within the EEA.

It is expected that the Offer Shares will be delivered in the VPS to applicants in the Retail Offering on or about 5 March 2015, provided that the applicant has paid for the Offer Shares allocated to the applicant when due.

6.3 Employee Offering

In the Employee Offering, the management companies of Eitzen Chemical will be offered Offer Shares in the amount of up to NOK 900,000 subject to the Board's discretion. The offer price for each such Offer Share will be USD 0.01, which corresponds to the par value of the Offer Shares. Such shares will be subscribed for and paid for in connection with the settlement of the Exchange Offer. The management companies intend to give each of its onshore employees Offer Shares with a value of at least NOK 10,500 as bonus.

6.4 Announcements in relation to the Offering

Notices in connection with the Offering will be published by notification through the online information system of Oslo Stock Exchange (www.newsweb.no). Notices will be deemed made when Oslo Stock Exchange has published the notice.

General information on the result of the Offering, including the final determination of the Offer Price, is expected to be published on or about 2 March 2015 in the form of a release through Oslo Stock Exchange online information system.

6.5 Condition for completion of the Offering

Completion of the Offering is conditional upon the Exchange Offer described in chapter 5 of this Document being completed. Completion of the Offering on the terms set forth in this Document is otherwise only conditional on the Board of the Company resolving to issue the Offer Shares. The Board may however in its sole discretion resolve to issue Offer Shares with gross proceeds less than NOK 3 million irrespective of whether the Offering is fully subscribed or to not complete the Employee Offering. There can be no assurance that the conditions will be satisfied.

Assuming that the conditions are satisfied, the first day of trading of the Offer Shares on Oslo Stock Exchange, or alternatively Oslo Axess is expected to be on or about 5 March 2015.

6.6 The Offer Shares

The Offer Shares will be issued under the laws of Bermuda and the shares will be registered in book-entry form with VPS with ISIN BMG870871057. The Company's register of shareholders with the VPS will be

administrated by Nordea, with address Middelthuns gate 17, P.O. Box 1166 Sentrum, 0107 Oslo, Norway. The Offer Shares have a par value in USD, but will be quoted and traded in NOK on the Oslo Stock Exchange.

For the purpose of the Exchange Offer, the Offering and any subsequent mandatory offer, the shareholder of the Offeror resolved on 28 January 2015 to increase the authorized share capital of the Offeror to USD 10,000,000. Following the conditions of the Offering being met or waived, the Board of Directors of the Offeror will resolve to issue the Offer Shares within the authorized share capital to the offerees in consideration for the tendering of shares of Eitzen Chemical.

Subject to completion of the Offering, the Offer Shares are expected to be issued and delivered to the applicants on or about 5 March 2015.

The Offer Shares will all carry shareholder rights, such as rights to dividends, from the time of their issue and registration in the VPS. The shares are freely transferable. See section 15 "Share capital and shareholder matters" for a description of shareholder rights and other shareholder matters.

6.7 Expenses

The total expenses which will be covered by the Company in connection with the Exchange Offer, the Offering and the Listing are expected to amount to approximately NOK 6 million.

6.8 Interest of natural and legal persons involved in the Offering

In order to reach the listing requirement of 500 shareholders, it is in the Company's interest that the Offering is completed.

6.9 Dilution

Assuming issuance of up to 265,848 Offer Shares through the Offering (assuming the price in the offering will be three times the closing price of the Eitzen Chemical Share on Oslo Stock Exchange on 28 January 2015), and that all the Eitzen Chemical Shareholders have accepted the Exchange Offer, the Offering will result in an immediate dilution of up to 0.047% of the Company.

6.10 Governing law and jurisdiction

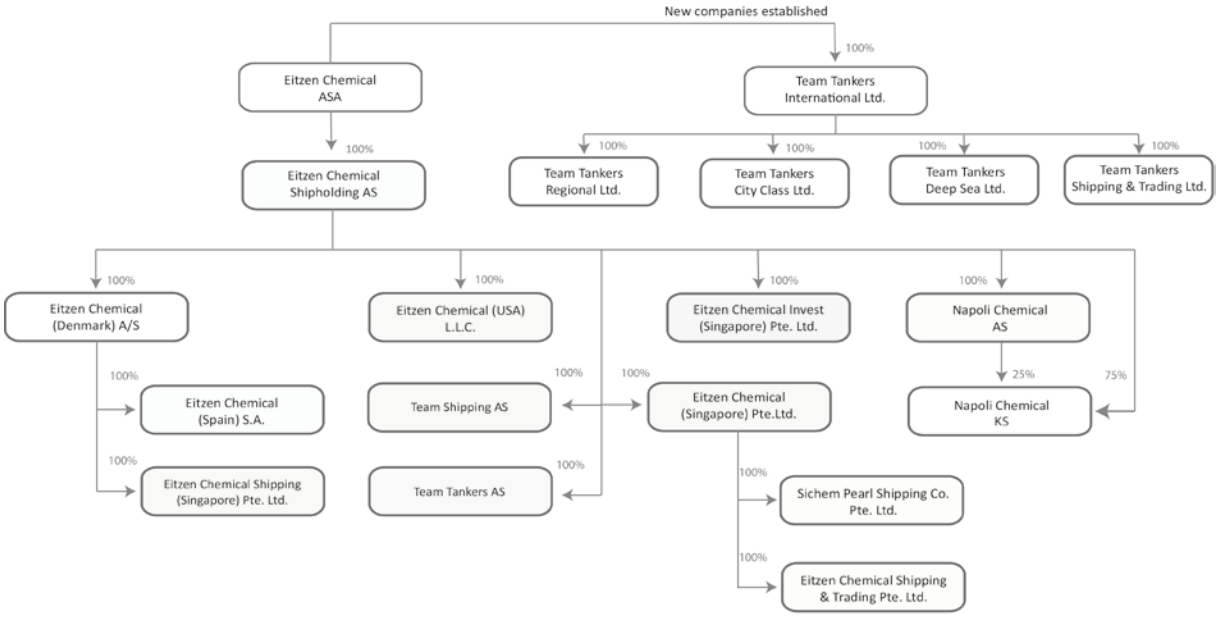
This Document, the Offering Acceptance Form and the terms and conditions of the Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Document, the Offering Acceptance From or in respect of the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo District Court as legal venue, save for the issuance of the Offer Shares which shall be subject to Bermuda law.

7 THE RELOCATION OF THE GROUP

7.1 Overview

On 22 December 2014, Eitzen Chemical entered into a plan support agreement (the "**PSA**") regarding financial restructuring of its debt. The parties to the PSA are Eitzen Chemical, Eitzen Chemical's largest shareholder representing more than 34% of the shares in Eitzen Chemical, and lenders under existing loan facilities. Subsequent to the completion of the financial restructuring, Eitzen Chemical is contemplating to relocate itself and some of its subsidiaries to Bermuda through completion of the Exchange Offer (the "**Relocation**"). The aim of the Relocation is to establish a corporate structure which reflects the Company's new ownership after completed debt conversion. Prior to launching the Exchange Offer, Eitzen Chemical has completed a share issue directed at certain of the senior lenders and bondholders (jointly hereinafter referred to as the "Supporting Creditors") whereby the Supporting Creditors have converted approximately USD 773 million of debt into equity in Eitzen Chemical (the "**Debt Conversion**"). Following the Debt Conversion a new credit facility in the total amount of USD 100 million, as further described in section 12.8.1 "Material borrowings", has been made available to Eitzen Chemical (the "**Refinancing**"). On 27 January 2015 the Group carried out a restructuring whereby 27 vessels owned in Singapore and Norway was sold to subsidiaries in Bermuda (the "**Restructuring**"). The remaining 5 vessels owned by subsidiaries in Singapore will be sold to subsidiaries in Bermuda shortly after the date of this Document.

The illustration below sets out the organization of the Group as at the date of this Document where Eitzen Chemical is the parent company, and prior to completion of the Exchange Offer:



Company	Address	Country	Ownership	Description
Eitzen Chemical ASA	P.O. Box 1794 Vika, N-0122 Oslo	Norway		Parent company of the Group (Holding Company)
Team Tankers International Ltd.	Williams House, 4th Floor, 20 Reid Street, Hamilton, HM 11	Bermuda	100%	Offeror (new ultimate parent)
Team Tankers Regional Ltd.	Williams House, 4th Floor, 20 Reid Street, Hamilton, HM 11	Bermuda	100%	Ship owning company
Team Tankers City Class Ltd.	Williams House, 4th Floor, 20 Reid Street, Hamilton, HM 11	Bermuda	100%	Ship owning company
Team Tankers Deep Sea Ltd.	Williams House, 4th Floor, 20 Reid Street, Hamilton, HM 11	Bermuda	100%	Ship owning company
Team Tankers Shipping & Trading Ltd.	Williams House, 4th Floor, 20 Reid Street, Hamilton, HM 11	Bermuda	100%	Ship owning company
Eitzen Chemical (Singapore) Pte. Ltd.	One Temasek Avenue, #35-05 Millenia Tower, Singapore 039192	Singapore	100%	Ship owning company
Sichem Pearl Shipping Co. Pte. Ltd.	One Temasek Avenue, #35-05 Millenia Tower, Singapore 039192	Singapore	100%	Former ship owning company
Eitzen Chemical Invest (Singapore) Pte. Ltd.	One Temasek Avenue, #35-05 Millenia Tower, Singapore 039192	Singapore	100%	Ship owning company
Napoli Chemical KS	P.O. Box 1794 Vika, N-0122 Oslo	Norway	100%	Former ship owning company
Eitzen Chemical (Denmark) A/S	Strandvejen 58, 3rd Floor 2900 Hellerup	Denmark	100%	Operative company
Eitzen Chemical (USA) LLC	One Gorham Island, Westport, CT 06880	USA	100%	Operative company
Eitzen Chemical (Spain) S.A.	Avda. Severo Ochoa, –8 - 5 A/D, 29603 Marbella, Malaga	Spain	100%	Operative company
Team Tankers AS	P.O. Box 1794 Vika, N-0122 Oslo	Norway	100%	Operative company
Eitzen Chemical Shipping & Trading Pte. Ltd.	One Temasek Avenue, #35-05 Millenia Tower, Singapore 039192	Singapore	100%	Operative company
Eitzen Chemical Shipping (Singapore) Pte Ltd	One Temasek Avenue, #35-05 Millenia Tower, Singapore 039192	Singapore	100%	Administrative company
Team Shipping AS	P.O. Box 1794 Vika, N-0122 Oslo	Norway	100%	Administrative company
Eitzen Chemical Shipholding AS	P.O. Box 1794 Vika, N-0122 Oslo	Norway	100%	Administrative company
Napoli Chemical AS	P.O. Box 1794 Vika, N-0122 Oslo	Norway	100%	Administrative company

7.2 Plan support agreement

On 22 December 2014, Eitzen Chemical entered into the PSA. The PSA resulted in Eitzen Chemical converting approximately USD 773 million of bank and bond debt on the company's balance sheet to equity, repayment of approximately USD 46 million of its current outstanding debt, and exchange of a claim of USD 83 million under one of the bank facilities for a sale-leaseback agreement, involving three owned vessels in the Eitzen Chemical fleet. Following the conversion of the bank and bond debt, the holders of the converted debt own 98 per cent of the outstanding shares of Eitzen Chemical.

The PSA was entered into with (i) a steering committee with members representing approximately 90 per cent of the lenders under the Group's bank facilities (the "**Steering Committee**"), (ii) the individual lenders under the Group's bank facilities, (iii) bondholders under the Group's bond loans representing more than 60 per cent of the issued bonds thereunder and (iv) shareholders in Eitzen Chemical representing 34 per cent of the existing shares in the company.

Below is a summary of the principal commercial terms of the PSA, completed on 27 January 2015.

Prepayment of certain bank facilities

Outstanding debt under certain of the group's bank facilities, approximately USD 32 million in aggregate, was repaid in cash.

Conversion of debt under certain bank facilities

All remaining outstanding debt under the group's remaining bank facilities (i.e. less the amount of approximately USD 32 million above) was converted into new equity in Eitzen Chemical representing 94.5 per cent of the outstanding shares of Eitzen Chemical.

Partial conversion and prepayment of bond loans

Total amount of outstanding debt under the group's bond loans, less an amount of approximately USD 13.5 million, was converted into new equity in Eitzen Chemical representing 3.5 per cent of the outstanding shares of Eitzen Chemical at completion of the conversion. The remaining amount of approximately USD 13.5 million under the bond loans was repaid in cash.

Sale and leaseback arrangement

Skandinaviska Enskilda Banken AB ("**SEB**") exchanged its entire claim under one of the bank facilities for a sale-leaseback agreement, involving three owned vessels in the Eitzen Chemical fleet.

New Credit Facility

Eitzen Chemical entered into a New Financing agreement with SEB and NIBC Bank N.V. regarding a credit facility in an aggregate principal amount of USD 100 million split into a USD 66.7 million term loan facility and a USD 33.3 million revolving credit facility.

Subject to approval of a new lender by all lenders under such credit facility, the facility may be increased by an aggregate amount of up to USD 50 million, to be split with up to USD 33.3 million on the term loan facility and up to USD 16.7 million on the revolving facility, increasing the total facility to an aggregate principal amount of USD 150 million.

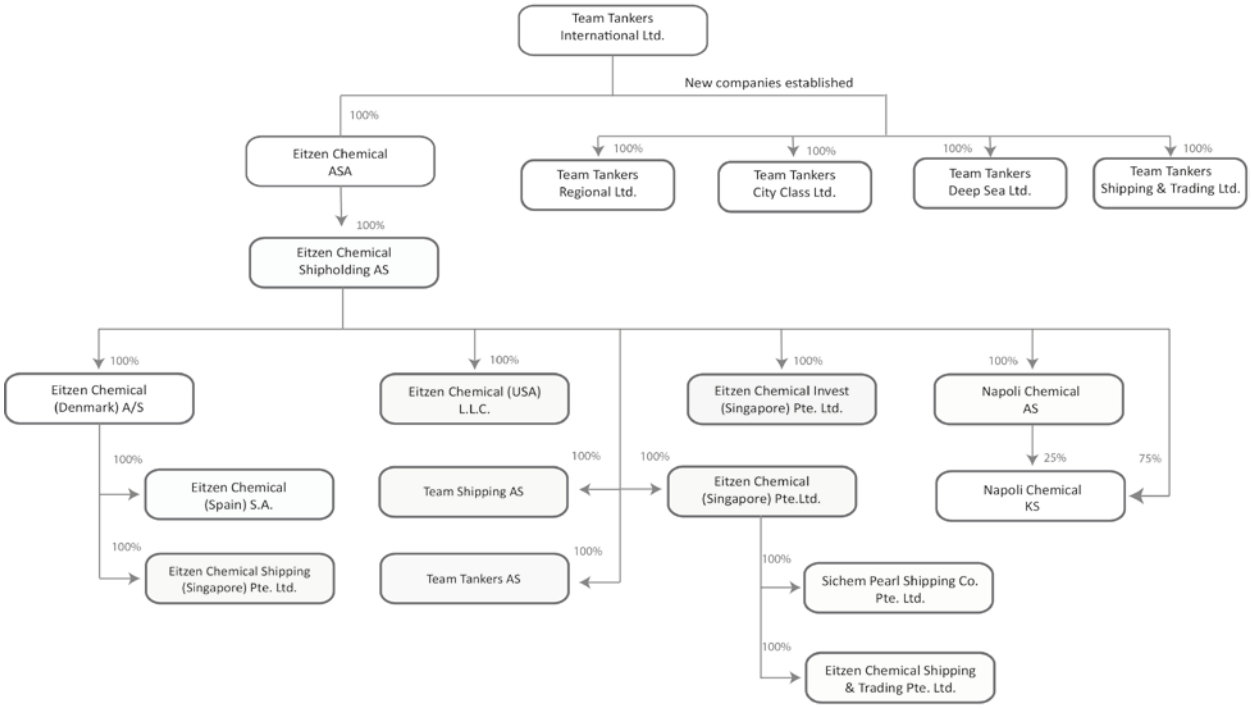
7.3 Restructuring

The Restructuring are transactions within the Group, i.e. an internal reorganization of vessel owning activities. As part of the Restructuring, Team Tankers Ltd. established four subsidiaries incorporated in Bermuda, which acquired the Group's owned vessels from the ship owning entities in Singapore and Norway.

It is further contemplated that the following steps will be carried out as a consequence of and after the Restructuring:

1. Remaining vessels owned by subsidiaries in Singapore will be sold to subsidiaries in Bermuda.
2. Transfer of chartered-in vessels and customer contracts to subsidiaries incorporated in Bermuda.
3. Intra-group receivables will be sold or distributed from Eitzen Chemical to Team Tankers Ltd.
4. Parts of certain Group companies' intra-group debt will be considered to be converted into equity.
5. Remaining "empty" companies in the Group will be liquidated, if deemed necessary.
6. Eitzen Chemical will be delisted.

After the completion of the Relocation (save for liquidation of "empty" companies) and the Restructuring, the Team Tankers Ltd. Group structure will be as illustrated below:



Below is a short description of the key companies in the Group following the Restructuring:

Team Tankers International Ltd.: Team Tankers International Ltd will after completion of the Exchange Offer be the ultimate parent of the Group. The company is incorporated in Bermuda.

Team Tankers Regional Ltd.: The company was incorporated in Bermuda in relation to the Restructuring and is 100% owned by Team Tankers International Ltd. It is a ship owning company and has acquired ships from the previous ship owning entities in Singapore and Norway.

Team Tankers City Class Ltd.: The company was incorporated in Bermuda in relation to the Restructuring and is 100% owned by Team Tankers International Ltd. It is a ship owning company and has acquired ships from the previous ship owning entities in Singapore.

Team Tankers Deep Sea Ltd.: The company was incorporated in Bermuda in relation to the Restructuring and is 100% owned by Team Tankers International Ltd. It is a ship owning company and has acquired ships from the previous ship owning entities in Singapore.

Team Tankers Shipping & Trading Ltd.: The company was incorporated in Bermuda in relation to the Restructuring and is 100% owned by Team Tankers International Ltd. The company will be used for business related to time charter activity.

Eitzen Chemical ASA, Eitzen Chemical (Denmark) A/S, Eitzen Chemical (Spain) S.A., Eitzen Chemical (USA) L.L.C. and Eitzen Chemical (Singapore) Pte. Ltd. are management service companies.

Following the Restructuring and in order to further streamline the legal structure, the Company will unwind and potentially liquidate the following companies: Eitzen Chemical Invest (Singapore) Pte. Ltd., Sichem Pearl Shipping Co. Pte. Ltd., Eitzen Chemical Shipping (Singapore) Pte. Ltd., Team Shipping AS, Team Tankers AS, Napoli Chemical AS and Napoli Chemical KS.

All Eitzen Chemical companies will change names by the end of the first quarter of 2015.

8 INTRODUCTION TO THE CHEMICAL TANKER MARKET

8.1 Introduction

Chemical tanker vessels are mainly used for cost-efficient bulk transportation of organic chemicals, inorganic chemicals and vegetable oils and animal fats. In addition, miscellaneous cargoes such as molasses, lube oils and refined petroleum products, e.g. gasoline and jet fuel, can be transported with chemical tanker vessels.

Organic chemicals, also referred to as petrochemicals, are chemicals derived from petroleum products and are carbon based. The most common organic chemicals transported by sea include methanol, MTBE and BTX (benzene, toluene and xylene). Organic chemicals are estimated to be the largest chemicals product group in the seaborne chemical trade.

Inorganic chemicals are chemicals of mineral origin. These chemicals are derived from other sources than petroleum products and do not necessarily have carbon structures. The most common inorganic chemicals include phosphoric acid, sulphuric acid and caustic soda.

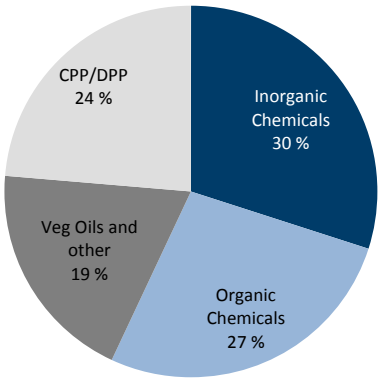
Vegetable oils and animal fats is the third main category transported on chemical tankers. The most common vegetable oils and animal fats include palm oil, soybean oil and tallow.

In addition to chemical transportation, chemical tankers can also be used to transport refined petroleum products (CPP) and dirty petroleum products (DPP), which are usually transported by less sophisticated product tankers. Product tankers can, in turn, be used to carry certain less hazardous chemicals. The chemical tanker market is therefore linked to the product tanker market and the boundary between the product tanker and the chemical tanker market is therefore not easily defined.

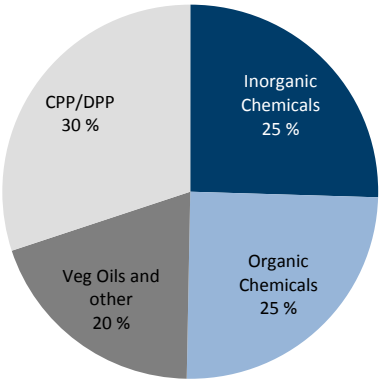
However, IMO rules which came into effect on 1 January 2007 added several new cargoes to the chemical tanker trade and certain cargoes which previously could be transported by product tankers had to be transported by chemical tankers with effect from 1 January 2007. Of these cargoes, the most significant in terms of cargo volumes were vegetable oils and soft oils.

The chart below illustrates Eitzen Chemical's cargo liftings for 2013 and the first nine months of 2014.

Eitzen Chemical cargo liftings



Cargo liftings 2013

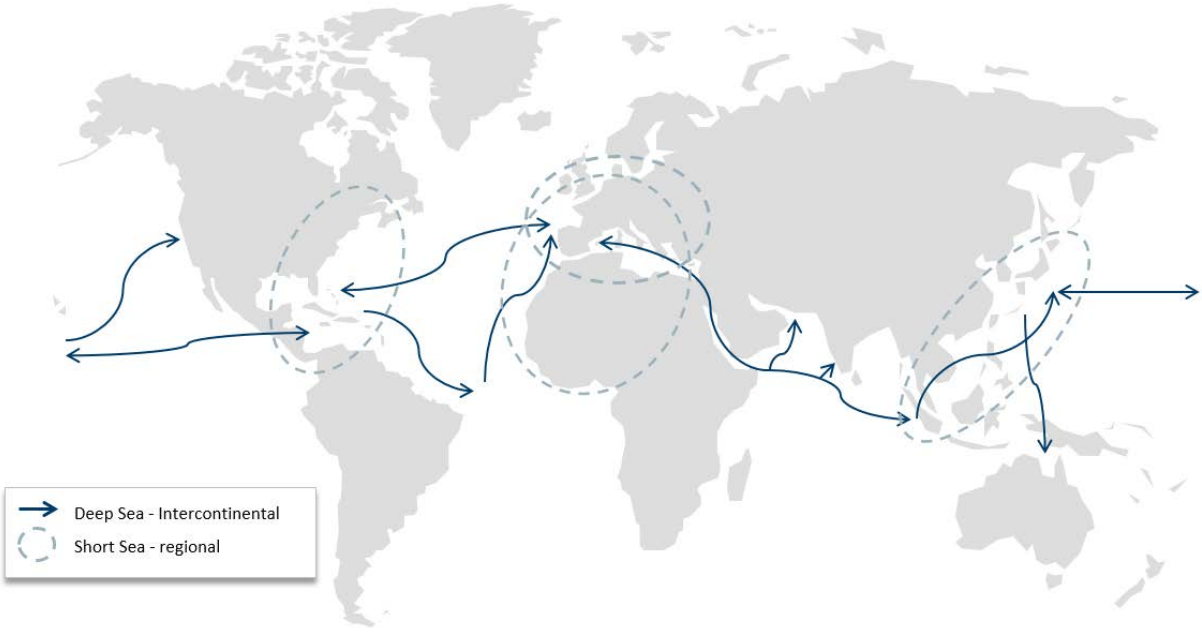


Cargo liftings YTD Q3 2014

Source: *Eitzen Chemical (excluding vessels fixed out on T/C contracts)*

Seaborne transportation of chemicals takes place in all parts of the world. The most important long haul trade lanes for chemical tankers are between the major chemical supply areas in the US, Northwest Europe, Singapore and the Arabian Gulf region, and the main chemical importing regions is Europe, Asia and North America. The Middle East, including India, and North America are expected to become more important regions in the chemical trade as a result of growth in chemical plant and petroleum refinery capacity in these regions. In the medium term, the shale gas development in the US is expected to have a positive effect on demand for long haul chemical tanker transportation. The customers of the chemical tanker operators are mainly producers or consumers of chemical products, e.g. major industrial chemical companies, oil companies and mining companies.

The figure below illustrates Eitzen Chemical's main trade lanes.



Team Tankers Ltd. ranks amongst the 10 largest chemical tanker operators in the world[1], based on number of vessels in its fleet and average vessel size measured in dwt. The chemical tanker market is a fragmented and complex industry with several chemical tanker operators competing in niche markets. Compared to many other shipping sectors, the chemical tanker operators are subject to stringent vetting requirements due to the caustic nature of the cargoes and the high environmental sensitivity of the customer base. Further, there is an added complexity in operating the vessels, as small parcel sizes and greater breadth of cargoes require specialized vessels and more sophisticated operations than is required to operate e.g. crude or product tankers. On each voyage, multiple products for several customers can be transported. Other large chemical tanker operators and competitors include companies like Odfjell SE, Stolt-Nielsen Ltd, Milestone Chemical Tankers Pte. Ltd, Nordic Tankers A/S and Navig8 Chemical Tankers Inc., amongst other[2].

8.2 IMO regulation

The International Maritime Organization ("IMO") is a specialized agency of the United Nations which is responsible for measures to improve the safety and security of international shipping and to prevent marine pollution from ships. Some of these measures include issuing technical requirements that vessels must fulfill in

[1] Source: KTR Maritime Consultants: Chemical Tanker Fleet Listings, January 2015

order to gain permission to transport oil products and chemicals. Product and chemical tankers can be segregated based on their IMO classification, which are quality grades for the permission to transport various chemical and oil products. IMO I graded products are the most hazardous, IMO III the least hazardous. In general, IMO I and IMO II grade tankers are referred to as chemical tankers.

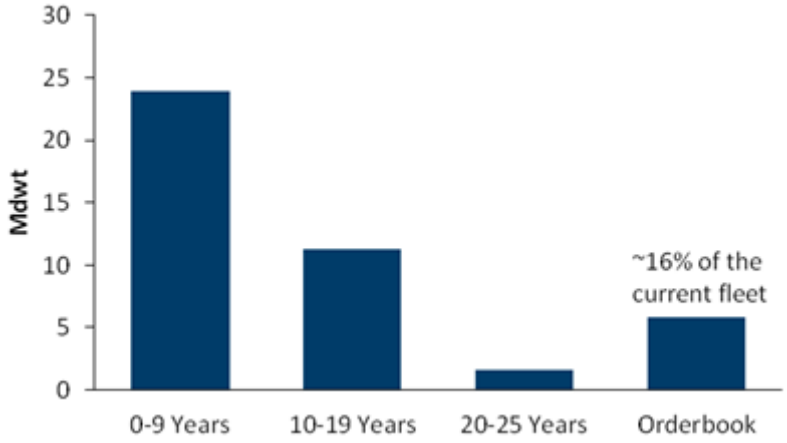
Non-IMO / product tankers are classed as carriers for oil and oil products. In addition to oil and oil products, such as gasoline, non-IMO / product tankers can carry non-IMO liquids such as molasses and ethanol. IMO III tankers are classed as carriers for oil and oil products as well as carriers for type III cargoes. Type III cargoes include, among others, methanol, MTBE, styrene, toluene, and chemical tankers transporting these cargoes have to be classed as IMO III tankers (or better). IMO II tankers are classed as carriers for oil and oil products as well as carriers for type III and type II cargoes. Type II cargoes include, among others, acids, fatty acids, xylene, white spirit and vegetable oils (e.g. palm oil, sunflower oil and soybean oil), and chemical tankers transporting these cargoes have to be classed as IMO II tankers, although vegetable oils can be shipped in double hulled IMO III tonnage. The requirements for IMO II chemical tankers are the same as for IMO III chemical tankers, but with stricter requirements, e.g. with respect to tank size. IMO II tankers can transport both oil products and type III and type II chemicals.

IMO revised carriage requirements under Annex I (oil) and Annex II (noxious liquid substances in bulk which mainly have to be carried by chemical tankers), with the aim of protecting the environment through stricter regulations. The revisions to Annex I have been implemented, with the result that single hull tankers had to be phased out within year end 2010, but with several exceptions. A fairly comprehensive revision has also been made to Annex II, which took effect on 1 January 2007. The revision has imposed stricter requirements on the carriage of chemical products. A number of cargoes were moved from not being IMO categorized to requiring IMO III or even IMO II classed tankers. To illustrate this by means of some examples, xylene went from requiring IMO III tankers to requiring IMO II tankers. Methanol, MEG and MTBE went from no IMO requirement to requiring IMO III tankers. The most significant change in terms of volume was for vegetable oils and soft oils which went from no IMO requirement to requiring IMO II or IMO III with double hull.

8.3 Overview of current fleet and order book

The chemical tanker fleet is relatively small in terms of number of vessels compared to the total tanker fleet. The total fleet of chemical tankers between 3,000 and 54,000 dwt consists of 2,405 vessels for a total of 36.9 million dwt. The graph below provides an overview of the age distribution of the existing fleet of chemical tankers.

Current fleet of chemical tankers, 3k to 54k dwt



Source: Eitzen Chemical based on industry sources

8.4 Estimated fleet growth

The order book[2] for chemical tankers (tankers below 54,000 dwt) is about 16 per cent of the fleet. In 2015, the total delivery of newbuildings is expected to be 2.3 million dwt, with expected scrapping of 0.7 million dwt, i.e. a net positive fleet growth of 1.6 million dwt or 4.2 per cent. This compares to net negative fleet growth of 0.3 million dwt or 0.9 per cent in 2014. The net annual fleet growth the coming years is expected to be moderate.

The fleet growth is to a large degree influenced by the level of scrapping of vessels. Scrapping is correlated to the age and technical standard of a vessel. Further, the decision to scrap is strongly influenced by the freight market. In a weaker market the relative degree of scrapping is higher. Costs associated with dry dockings and new IMO regulations which will come into effect over the next years, are also expected to have a strong influence on the level of scrapping considering the opportunity cost for older vessel to meet new requirements. Consequently, we expect the level of scrapping to remain at today's level until the freight market experience more sustainable market improvement.

8.5 Freight rate development

8.5.1.1 Chemical market – tonnage demand

Demand for chemical tankers is influenced by many variables as a vast number of commodities are involved in the seaborne chemical trade. World GDP growth and world industrial production are some of the main drivers for demand for chemicals and are therefore often considered to be some of the main indicators for chemical tanker demand. World GDP figures are anticipated to grow, according to the IMF[3], by 3.5 per cent and 3.7 per cent in 2015 and 2016 respectively, and historically the demand for chemical tanker transportation has been growing at a factor of approximately 1.5-2.0x.

The world's chemical production capacity has been growing steadily during the last decade, partly influenced by increasing consumption as a result of a growing world population. Traditionally, the key areas for production and consumption of chemicals have been the main industrial areas in North America, Northwest Europe, China and Japan. Going forward a rapid build-up of new chemical plants, especially in the US and Middle East is expected. Growth in US plant capacities is mainly driven by the shale gas possibilities, which is providing the US with cheap feedstock and thereby an increased competitiveness. The US and Middle East are therefore expected to become more important regions for the chemical tanker industry. The long term annual growth rate for global chemicals and plastics demand has been estimated to be around five per cent. Further, the demand for marine chemical transportation, measured in tonne miles, is expected to continue exceeding the growth in demand measured in tonnes, as a result of the increasing industrial production and increased chemical plant and refinery capacity in the US and Middle East.

[2] Source: Eitzen Chemical based on industry sources

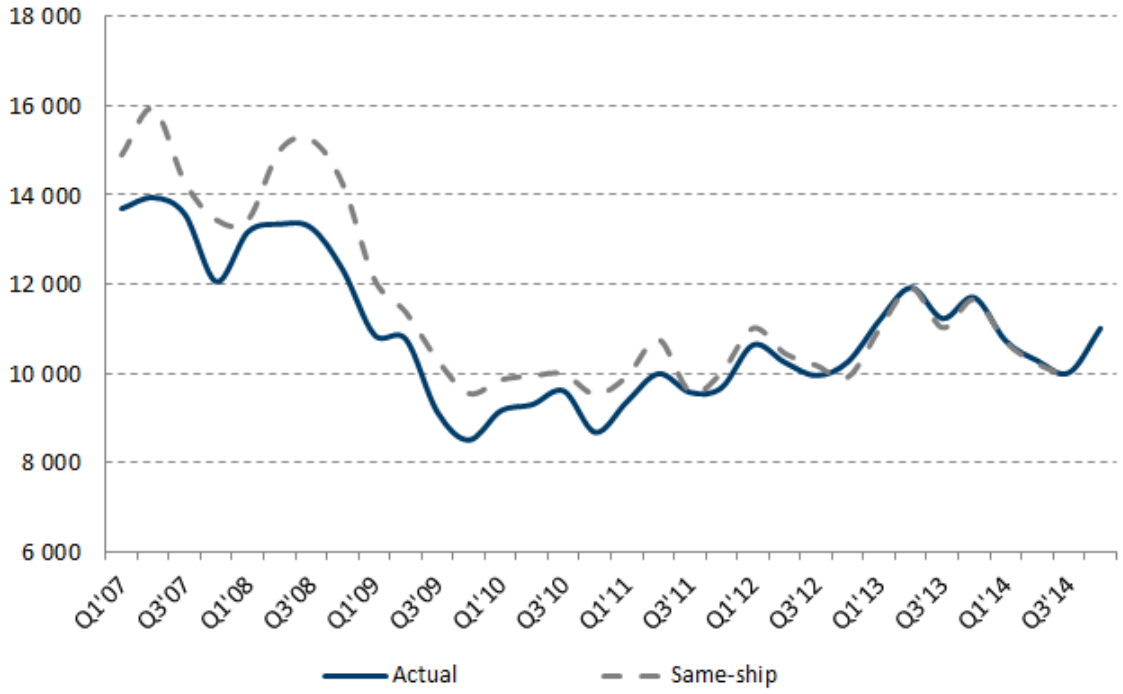
[3] Source: International Monetary Fund: World Economic Outlook Update, January 2015

8.5.1.2 Freight rates

The table on the following page sets forth the development in the Eitzen Chemical Index (ECI) since 2006, both the actual development and the development on same-ship basis. The ECI is based on the Company's sailed in time charter equivalent (TCE) earnings per day, which measures revenues after voyage related costs such as bunker costs. TCE earnings are included with nominal values. Certain vessels in the current fleet were delivered in the period 2007-2009. The average weighted TCE for these vessels are only included from the time of delivery.

In 2009, high fleet growth coupled with reduced industrial production as a consequence of lower economic activity and negative GDP growth in the major economies, had a negative impact on chemical tanker demand and freight rates. Industrial production has however, in most parts of the world, picked up and increased demand for chemicals and the seaborne transportation of same. The Company's TCE break-even rate to cover operational expenditures is estimated at approximately USD 11,500 per day.

Eitzen Chemical Index



As announced on 23 December 2014, Eitzen Chemical experienced a firmer market in the 4th quarter of 2014 and closed the year with improved rates and utilization in most of the trade lanes. Compared to the 3rd quarter of 2014, the average time charter equivalent rate for the fleet is estimated to have increased by about 10 per cent in the 4th quarter of 2014.

The chemical industry is reporting improved earnings and increased sales[4], and has a positive outlook in general. The Company expects that the increased production of petrochemical products in the US and Middle East will positive consequences for the tonne mile matrix for chemical tankers. As per industry sources, the demand for seaborne chemical transportation was in 2014 below both the historical long-term growth trend and estimated future growth of 4-5 per cent per annum. The weaker demand growth has been significantly impacted by a

[4] Source: Bloomberg: Listed companies Basic and Diversified Chemicals Group, Q1 2012-Q3-2014

decrease in imports of chemicals and related products to China in particular. China represents approximately 25 per cent of the total global seaborne trade of chemicals and vegetable oils. From 2008-2013, the seaborne imports of chemicals to China increased by 9.4 per cent on average per annum. However, in 2014 the total imports to China are estimated to have fallen by 7.6 per cent.

Although the short-term development in demand of seaborne chemical transportation is uncertain, the trend is expected to improve following significant investments in the chemical production capacity in the Middle East and the USA, and the market should experience gradual improvement with increased fleet utilization the coming years.

9 BUSINESS OF THE GROUP

9.1 History and important events

Team Tankers International Ltd. was established 29 July 2014 by Eitzen Chemical for the sole purpose of launching the Exchange Offer, and has at the date of this Document not carried out any business. Following completion of the Exchange Offer, the Team Tankers Group will continue the business of the Group through Team Tankers Ltd. as the holding company.

The Group builds on a long and proud tradition in the shipping industry, tracing its origins back to 1883 and the foundation of Camillo Eitzen & Co. The chemical division was established when Tschudi & Eitzen Holding AS acquired the Danish shipping company KIL Shipping A/S in 2001. This company was later renamed Camillo Eitzen (Denmark) A/S. The chemical tanker activities of Camillo Eitzen & Co developed further by organic growth and acquisitions of the French chemical tanker company Navale Française and the Spanish chemical tanker company Naviera Quimica in 2004. In 2006, the chemical activities of Camillo Eitzen (Denmark) A/S de-merged into Eitzen Chemical (Denmark) A/S. Eitzen Chemical was established as a new holding company in June 2006.

In August 2006, Eitzen Chemical entered into an agreement with Blystad Shipholding Inc. to acquire Songa Shipholding AS' chemical tanker fleet. The acquisition was completed on 5 October 2006. Simultaneously, Camillo Eitzen & Co's chemical tanker business was transferred to Eitzen Chemical. Eitzen Chemical was listed separately on the Oslo Stock Exchange on 2 November 2006.

The table below sets forth the key events in the history of Eitzen Chemical:

Year	Event
1883	Camillo Eitzen & CO established
2006	Eitzen Chemical ASA established
2006	Acquisition of Songa Shipholding AS
2006	Acquisition of Eitzen Chemical (Denmark) A/S (Camillo Eitzen & Co's chemical tanker activities)
2006	Acquisition of Fouquet Sacop S.A
2006	Fundraising and listing on Oslo Stock Exchange
2007	Divestment of Fouquet Sacop S.A
2009	Refinancing – Debt restructuring and Share issue
2013	Debt restructuring – New loan agreements with syndicate banks and trustee of the bond loan
2014	Incorporation of Team Tankers Ltd.
2014	Signing of restructuring agreement (Plan Support Agreement)
2015	27 January: Debt Conversion and New Financing 30 January: Launch of Exchange Offer where shares in Eitzen Chemical will be exchanged into shares in Team Tankers Ltd. On or about 5 March: Contemplated listing of the Team Tankers Shares on Oslo Stock Exchange

9.2 The fleet

As of the date of this Document, the fleet consists of 47 chemical tankers ranging from 3,500 dwt to 46,000 dwt. Cargo segregations vary from 12 to 30, and the fleet consists of both coated and stainless steel vessels. Of the owned and leased fleet at the date of this Document, 27 were coated and 20 were stainless steel. Team Tankers ranks amongst the 10 largest chemical tanker operators in the world[5], based on number of vessels in its fleet and average vessel size measured in dwt. With an average fleet age of less than ten years, Team Tankers operates a young and modern chemical tanker fleet. Of the vessels operated by the Company, 32 are currently owned through subsidiaries in Bermuda and Singapore. 15 vessels are chartered in on time charter or bareboat contracts, most of them with purchase options. The vessels which are chartered in are classified as financial (6) or operating (9) leases in the Company's financial statements.

9.2.1 Owned vessels

The following table presents certain information with respect to the vessels owned by the Group as at the date of this Document.

Vessel	Built	Dwt	Flag	Ship owning company	Technical mgmt	Coating	IMO
Siteam Adventurer	2007	46,099	Bermuda	Team Tankers Deep Sea	Thome	Coated	IMO 2
Siteam Explorer	2007	46,026	Bermuda	Team Tankers Deep Sea	Thome	Coated	IMO 2
Siteam Voyager	2008	46,190	Bermuda	Team Tankers Deep Sea	Thome	Coated	IMO 2
Siteam Leader	2009	46,070	Bermuda	Team Tankers Deep Sea	V.Ships	Coated	IMO 2
Siteam Discoverer	2008	46,043	Bermuda	Team Tankers Deep Sea	Thome	Coated	IMO 2
Siteam Anja	1997	44,640	Marshall I.	Team Tankers Deep Sea	Thome	Coated	IMO 3
Sichem Falcon	2009	25,419	Malta	Team Tankers Deep Sea	V.Ships	Coated	IMO 2
Sichem Hawk	2008	25,385	Malta	Team Tankers Deep Sea	V.Ships	Coated	IMO 2
Sichem Osprey	2009	25,431	Malta	Team Tankers Deep Sea	V.Ships	Coated	IMO 2
Sichem Defiance	2001	17,396	Marshall I.	Team Tankers Deep Sea	Selandia	Stainless	IMO 2
Sichem Rio	2006	13,162	Italy	Eitzen Chemical (Singapore)	Selandia	Coated	IMO 2
Sichem Edinburgh	2007	13,153	Bermuda	Team Tankers City Class	Selandia	Coated	IMO 2
Sichem Singapore	2006	13,141	Italy	Team Tankers City Class	Selandia	Coated	IMO 2
Sichem Manila	2007	13,125	Singapore	Eitzen Chemical (Singapore)	Thome	Coated	IMO 2
Sichem Paris	2008	13,079	Bermuda	Team Tankers City Class	Selandia	Coated	IMO 2
Sichem Hong Kong	2007	13,069	Bermuda	Team Tankers City Class	Selandia	Coated	IMO 2
Sichem Colibri	2001	3,591	Malta	Team Tankers Regional	Selandia	Stainless	IMO 2
Sichem Sparrow	2001	3,596	Malta	Team Tankers Regional	Selandia	Stainless	IMO 2
Sichem Lily	2009	8,109	Malta	Team Tankers Regional	Thome	Stainless	IMO 2
Sichem Orchid	2008	8,115	Malta	Team Tankers Regional	Thome	Stainless	IMO 2

[5] Source: KTR Maritime Consultants: Chemical Tanker Fleet Listings, January 2015

Vessel	Built	Dwt	Flag	Ship owning company	Technical mgmt	Coating	IMO
Tour Margaux	1993	8,674	Malta	Team Tankers Regional	V.Ships	Stainless	IMO 2
Sichem Palace	2004	8,807	Singapore	Eitzen Chemical (Singapore)	Thome	Stainless	IMO 2
Sichem Challenge	1998	12,180	Bermuda	Team Tankers Regional	Selandia	Stainless	IMO 2
Sichem Fumi	1996	11,674	Panama	Team Tankers Regional	Thome	Stainless	IMO 2
Sichem Dubai	2007	12,888	Malta	Team Tankers City Class	Selandia	Coated	IMO 2
Sichem Marseille	2007	12,927	Singapore	Eitzen Chemical (Singapore)	Selandia	Coated	IMO 2
Sichem New York	2007	12,945	Bermuda	Team Tankers City Class	Selandia	Coated	IMO 2
Sichem Montreal	2007	13,056	Bermuda	Team Tankers City Class	V.Ships	Coated	IMO 2
Sichem Beijing	2007	13,068	Bermuda	Team Tankers City Class	Selandia	Coated	IMO 2
Sichem Houston	1995	6,239	UK	Team Tankers Regional	V.Ships	Stainless	IMO 2
Sichem Croisic	2001	7,721	Malta	Team Tankers Regional	V.Ships	Stainless	IMO 2
Sichem Pomerol	1998	10,379	Singapore	Eitzen Chemical Invest	V.Ships	Stainless	IMO 2

9.2.2 Leased vessels

As at the date of this Document, Eitzen Chemical has chartered in 15 chemical tankers, of which eight are on bareboat and seven on time charter. The duration of the charters are arranged as firm periods with additional option periods for the Company. Charter hire is differentiated in relation to firm and optional periods for some of the charters. Certain charter-parties include purchase options in favor of Eitzen Chemical. Refer to the following tables for an overview of the vessels chartered in by subsidiaries of Eitzen Chemical and the main provisions of these charter parties.

Vessels on financial leases

The vessels classified as financial lease vessels are recognized in the same manner as vessels owned by Eitzen Chemical. The table below presents an overview of Eitzen Chemical's six financial lease vessels:

Vessel	Built	Dwt	Flag	Ship owning company	Technical mgmt.	Coating	IMO
Sichem Mumbai	2006	13,084	Panama	Trio Happiness S.A.	V.Ships	Coated	IMO 2
North Contender	2005	19,925	Marshall I.	Contender Holding	Selandia	Stainless	IMO 2
North Fighter	2006	19,932	Marshall I.	Fighter Holding LLC.	Selandia	Stainless	IMO 2
Sichem Amethyst	2006	8,817	Singapore	New Victory Line	Thome	Coated	IMO 2
Sichem Contester	2007	19,822	Singapore	United Sky Sh. Pte Ltd	Fleet mgmt.	Stainless	IMO 2
Sichem Aneline	1998	8,941	Marshall I.	Orient Glory Line S.A.	Selandia	Coated	IMO 2

Vessels on operating leases

The table below sets out an overview of Eitzen Chemical's nine operating lease vessels:

Vessel	Built	Dwt	Flag	Ship owning company	Technical mgmt.	Coating	IMO
Sichem Mississippi	2008	12,273	Panama	Trio Happiness S.A.	V.Ships	Stainless	IMO 2
Sichem Hiroshima	2008	13,000	Singapore	Southern Breeze Nav.	Selandia	Coated	IMO 2
Sichem Onomichi	2008	13,104	Singapore	Southern Breeze Nav.	Selandia	Coated	IMO 2
UACC Messila	2012	45,335	Marshall I.	Utd. Arab Ch. Carriers	Selandia	Coated	IMO 2
Sichem Ruby	2006	8,824	Panama	Fresh South Shipping	Bernhard Schulte	Stainless	IMO 2
Dreggen	2008	19,993	Panama	Fresh South Shipping	Executive mgmt.	Stainless	IMO 2
Sichem Eagle	2008	25,421	Bermuda	Saffron 1 Leasing Inc	V.Ships	Coated	IMO 2
Sichem Iris	2008	8,139	Malta	Saffron 2 Leasing Inc	Thome	Stainless	IMO 2
Sichem Melbourne	2007	12,936	Bermuda	Saffron 3 Leasing Inc	Selandia	Coated	IMO 2

* In December 2014, Eitzen Chemical chose not to exercise the option to extend the time charter on the Sichem Onomichi. The vessel is expected to be redelivered to owners in February 2015.

Charter parties

Eitzen Chemical currently has 15 vessels chartered in on time charter or bareboat contracts. Eitzen Chemical has options to purchase certain of the leased vessels. The charters have a firm charter period, and certain charters include an option to extend the charter for multiple years. The table below sets out the main provisions of these charter parties, including the minimum and maximum contract period, the latest possible purchase option exercise date and the purchase price on the latest possible purchase option exercise date.

Vessel	Charter type	Expiry firm period	Latest expiry	Latest option exercise	Purchase price*
Sichem Mumbai	Bareboat	October 2016	October 2018	October 2018	USD 8.5 million
North Contender	Time charter	February 2016	N/A	February 2019	USD 21.0 million
North Fighter	Time charter	May 2019	N/A	May 2019	USD 21.0 million
Sichem Amethyst	Time charter	July 2014	September 2015	September 2015	JPY 985 million
Sichem Contester	Time charter	October 2014	October 2019	October 2019	JPY 1,510 million
Sichem Aneline	Bareboat	July 2018	N/A	July 2018	JPY 348 million
Sichem Mississippi	Bareboat	December 2028	December 2028	December 2028	JPY 1,060 million
Sichem Hiroshima	Time charter	May 2015	May 2018	May 2018	USD 16.6 million
Sichem Onomichi*	Time charter	February 2015	N/A	N/A	N/A
UACC Messila	Time charter	February 2015	N/A	N/A	N/A
Sichem Ruby	Time charter	April 2015	N/A	April 2015	JPY 1,100 million
Dreggen	Time charter	December 2015	December 2016	December 2016	JPY 2,920 million
Sichem Eagle	Bare boat	January 2025	N/A	N/A	N/A
Sichem Iris	Bare boat	January 2025	N/A	N/A	N/A
Sichem Melbourne	Bare boat	January 2025	N/A	N/A	N/A

* In December 2014, Eitzen Chemical chose not to exercise the option to extend the time charter on the Sichem Onomichi. The vessel is expected to be redelivered to owners in February 2015.

9.3 Strategy and objectives

Eitzen Chemical's main contribution to society is to grow a long-term, sustainable value-creating business for its shareholders. Eitzen Chemical's aim is to ensure that its business practices as well as investments are sustainable, and contribute to long-term economic, environmental and social development.

Eitzen Chemical has, and the Group will continue to have following the Exchange Offer, a clearly defined vision and mission statement and a set of core values, which the Company strongly believes will ensure that the Company grows a value-creating and sustainable business.

Vision
Superior commitment to customers and quality creates value.

Mission
We are an ambitious global organization with focus on:

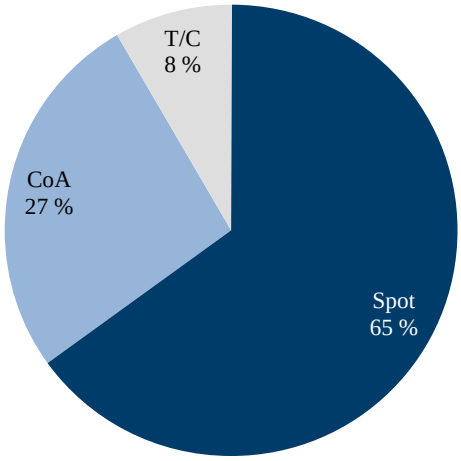
- Safety & environment
- Customers
- Quality
- People
- New thinking
- Being proactive

Core values

- Respect
- Commitment
- Sincerity & Honesty

9.4 Contract coverage

Eitzen Chemical has long term relationships with many of its customers. The term business coverage, measured in earnings, was 35 per cent for the nine month period ended 30 September 2014, with the CoA cover at 27 per cent and time charter cover at 8 per cent. All of Eitzen Chemical's vessels are currently employed, but with the current trading activity there is idle capacity to increase freight volumes when the market improves. The graphs below illustrate the estimated contract coverage as of 30 September 2014:



Time Charter Agreements
Some of the vessels owned or leased by the Company are chartered out on time charter. All charters are based on standard charter party forms and are governed by English or US law. At the date of this Document, Eitzen Chemical has five Time Charter Agreements, four expiring in the first half of 2015 and one expiring in the 4th quarter of 2015.

Contracts of Affreightment (CoA)
Eitzen Chemical has entered into several CoAs with various customers. CoAs typically have minimum and maximum volumes. The CoA contracts typically have a firm duration of one year at a time and are subject to annual re-negotiations, but some of the CoAs have firm periods lasting up to two years. Several of the owned or chartered vessels are employed for the performance of these CoAs. The CoAs are with few exceptions not linked to the use of a particular vessel or a particular group of vessels. The majority of the CoAs will be renegotiated in 2015.

Vessels employed in the spot market
Several of the vessels owned or chartered by the Group are employed in the spot market for voyage charters. These contracts are typically based on standard charter party forms like Asbatankvoy, Shell Voy or similar and governed by English or US law. The Company is significantly exposed to the spot market as the voyage charter coverage, measured in earnings, is estimated to about 65 per cent. It is the Company's strategy to increase the contract coverage, including time charter, in the short to medium term.

9.5 Technical management of the vessels

Eitzen Chemical has outsourced the technical management of its owned vessels to have flexibility in operation and due to the economics of scale in technical management of vessels. Technical management involves the duties which have to be performed for the technical operation of a vessel. This includes management related to crew management, logistics related to operations, service and maintenance. The technical management of the owned vessels is currently handled by Selandia, V.Ships and Thome Ship Management.

This policy ensures benchmarking and competition between the technical managers, as well as a reduction of the risk of vetting issues with specific customers and access to a wider pool of officers and crew. The number of vessels managed by each company is set out below.

Technical manager*	Number of vessels
Selandia	19
V.Ships	13
Thome Ship Management	11

** Excluding 4 vessels on time charter contracts with different technical managers*

9.5.1 V.Ships

Management agreements with V.Ships are based on V.Ships' standard Ship Management Agreement. V.Ships provides Crew & Technical Management as well as accounting services for costs incurred on behalf of the vessel owner. The remuneration consists of:

- Annual fee which is payable on a monthly basis.
- Superintendents' visits to ships in excess of 25 days shall be charged at a daily fee.
- Tanker management self-assessment vetting shall be charged at a daily fee.
- The vessel owners shall reimburse the manager for out of pocket expenses – i.e. postage, communication and travelling expenses.

The agreements have no expiry date, but can be terminated with three months written notice.

9.5.2 Selandia Ship Management

The management agreements with Selandia are based on BIMCO 98 Shipman standard. Selandia provides Crew & Technical Management as well as accounting services for costs incurred on behalf of the vessel owner. The remuneration paid to the manager is an annual fee which is payable on a monthly basis. In addition, the vessel owners shall reimburse the manager for out of pocket expenses – i.e. postage, communication and travelling expenses.

The agreements have no expiry date, but can be terminated with two months written notice.

9.5.3 Thome Ship Management

The management agreements with Thome are based on BIMCO Shipman 98 standard. Thome provides Crew & Technical Management as well as accounting services for costs incurred on behalf of the vessel owner. The remuneration consists of:

- Annual fee which is payable on a monthly basis.
- Superintendent's visits to ships in excess of 25 days shall be charged at a daily fee.
- The vessel owners shall reimburse the manager for out of pocket expenses – i.e. postage, communication and travelling expenses.

The agreements have no expiry date, but can be terminated with two months written notice.

9.6 Insurance coverage

The Group has taken out insurances for its vessels in accordance with normal industry practice and the Group's contractual obligations. Such insurances comprise, *inter alia*, Hull & Machinery insurance, Hull & Freight interest insurance, Loss of Hire insurance, War Risk insurance and P&I insurance.

9.7 Regulations

Governmental and international agencies extensively regulate the transportation of chemicals and petroleum products.

These regulations include, but are not limited to, the International Convention on Civil Liability for Bunker Oil Pollution Damage, the International Convention on Liability and Compensation for Damage in Connection with Carriage of Hazardous and Noxious substances by Sea, the U.S. Pollution Act of 1990, the Maritime Labour Convention of 2006, the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships of 2009, the Ship Recycling Regulation adopted by the European Council in 2013, the Maritime Transportation Security Act of 2002, the International Maritime Organization's ("IMO") International Convention for the Safety of Life at Sea, IMO's International Ship and Port Facilities Security Code, the International Convention for the Control and Management of Ships' Ballast Water and Sediments, MARPOL 73/78 and the International Standards for Safe Management and Operation of Ships and Pollution Prevention.

In certain circumstances, these regulations may impose strict liability, which may render companies in the Group liable for environmental and natural resource damages without regard to negligence or fault on the part of the Group. Implementation of new environmental laws or regulations that may apply to the industry in which the Group operates may impact the Group‘s business activity, financial condition or results of operations. See Section 2 "Risk factors" for an overview of risk factors relating to environmental laws and regulations applicable to the Group.

9.8 Material contracts outside the ordinary course of business

Neither Eitzen Chemical nor any other member if the Group has entered into any material contracts outside the ordinary course of business for the three years prior to the date of this Document. Furthermore, the Group has not entered into any other contract outside of the ordinary course of business which contains provision under which any member of the Group has any obligation or entitlement.

9.9 Environment, health and safety policy

International shipping contributes significantly to global emissions of greenhouse gases (GHG) through combustion of bunkers. According to the Second IMO GHG Study of 2009, which is considered to be the most comprehensive and authoritative assessment of the level of GHG emitted by ships, it is estimated that international shipping was the source of approximately 3 per cent of the global man-made emissions of CO^2 in 2007. Emissions of sulphur (Sox) and mono-nitrogen oxides (NOX) are also a challenge in shipping, impacting both air quality and health. Although international shipping is a significant contributor to global emissions, it produces substantially less emissions per unit distance when carrying a shipment than other methods of transportation.

The Group recognizes its environmental responsibility and strives to comply with and maintain high standards in order to reduce the environmental impact from its operations. The Company is focusing on reducing bunkers consumption, which is the main source of the shipping sector's emissions of CO^2, NOX and SOX. Since the Group's bunkers consumption program was initiated in 2011, the consumption of bunkers is reduced significantly. The increased use of eco-steaming, periodic hull cleaning and trim optimization are the main contributors to the reduction.

All the Group's vessels contracted after 2005 are compliant with NOX emissions requirements. The modern Siteam class of vessels from Trogir shipyard meets all the criteria of the Lloyd's Register Environmental Protection Notation. This notation covers a diversity of subjects ranging from air pollution to sea water pollution.

To further limit air pollution, the smaller vessels have been built fully compliant with current regulations on NOX and SOX emissions and are also built to be able to further reduce SOX emissions.

The technical managers are further certified with Environmental Management Systems Certificate ISO 14001 as well as ISO 9001:2000. The certificates are issued by the Classification Society and establish environmental standards and implementation routines. Continuous efforts are made in order to reduce the general waste produced by the vessels and to dispose of waste onshore in a controlled manner at approved port waste reception facilities. The fleet complies with the IMO recommendations on waste management.

The health and safety of the Group's employees is a key priority. As an international and multi-local industrial employer, the Company respects international and local legislation, including the provision of the International Labour Organization's Maritime Labour Convention of 2006 (the "**MLC**"). The MLC is widely known as the "seafarers' bill of rights", and sets out seafarers' right to decent working conditions, including elements such as minimum age of seafarers, payment of wages, hours of work or rest, on-board medical care, paid annual leave and freedom of association.

The Group aims to continuously provide and enhance healthy, high-quality working conditions, both onshore and on-board vessels. The Group conducts periodical work place surveys to gain a better understanding of the working conditions for onshore employees. The Company has outsourced crewing of vessels and technical management. However, in order to ensure that our external partners on the crew and technical management side comply with the Group's policies, the Group has an internal fleet management department responsible for monitoring the Health, Safety, Environment and Quality performance of the technical managers.

9.10 Dependency on contracts, patents, licenses etc.

It is the opinion of the Company that the Group's existing business or profitability is not dependent upon any specific contracts.

The Group is dependent upon a number of agreements in order to manage its fleet of chemical tankers, see section 9.2.2 "Leased vessels" for a description of the Group's vessel leasing agreements, section 9.6 "Insurance coverage" for a description of the Group's insurance contracts and section 9.5 "Technical management of the vessels" for a description of the Group's technical management agreements.

In order to efficiently employ its vessels and optimize the utilization of the fleet, the Group is, and will continue to be, dependent on balancing its T/C, CoA and Spot exposure; see section 9.4 "Contract coverage" for a description of the Group's contract coverage. See section 12.8 "Borrowings and contractual obligations" for a description of the Group's main loan agreements.

Other than contracts entered into in the ordinary course of business, and those contracts as referred to above, the Group does not have any other material contracts.

9.11 Legal proceedings

Other than as disclosed below, the business of Eitzen Chemical to be assumed by Team Tankers Ltd. through the Exchange Offer is not, nor has it been during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the business of the Group or the financial condition or profitability of the Group after completion of the Exchange Offer, and the Management is not aware of any such proceedings which are pending or threatened.

The disputes discussed below constitute, in Management's opinion, the most material current disputes relating to the business of Eitzen Chemical. In addition to these disputes, the Group is currently, and will from time to time be, involved in negotiations with its customers and other partners in connection with the ordinary course of business, for instance relating to demurrage and rebills etc. If such negotiations are not successful, the matter could be referred to legal or arbitration proceedings for final resolution.

The main part of the claims is covered by the Hull and P&I Insurance and the Group is limited to pay deductibles under the insurances.

9.11.1 Team Tankers Pool dispute with Consultores de Navegacion

Eitzen Chemical, through its wholly owned subsidiary Team Tankers AS ("TTAS"), discontinued as pool manager for the Team Tankers Pool (the "Pool") in 2011. There has been an on-going dispute from October 2011 between TTAS and the Pool partner Consultores de Navegacion S.A. ("CdN", now known as Marflet Marine S.A.) related to distribution of Pool earnings deriving from the activity in the Pool. In May 2014, the parties agreed to distribute most of the remaining Pool funds and to attempt to amicably resolve the differences.

9.11.2 Sichem Baltic

In 2005 the charterer of the vessel Sichem Baltic terminated the charter party due to alleged lack of necessary approvals from oil companies. The charterers claim USD 0.3 million in compensation. Eitzen Chemical has raised a counterclaim due to loss of hire amounting to USD 0.8 million.

9.11.3 Team Anemonia and Siteam Mars

Eitzen Chemical has claimed demurrage of USD 0.3 million against the charterer of the two vessels Team Anemonia and Siteam Mars for delays in connection with loading. The charterer rejected the Siteam Mars, claiming that her tanks were not suited for the cargo. Siteam Mars where then replaced by Team Anemonia which carried the cargo. The charterer has disputed the claim in full and has given notice of a claim of USD 0.5 million.

9.11.4 Sichem Peace

In July 2009, the vessel Sichem Peace, which was on time charter to Eitzen Chemical, was during discharge at Koko, Nigeria boarded by men claiming to be the armed insurgency movement "MEND". Six crew members were kidnapped and released after 18 days. Claiming Koko was an unsafe port, the owner has claimed Eitzen Chemical for USD 0.8 million. Eitzen Chemical has counterclaimed compensation for off-hire. Eitzen Chemical also claims against its charterer to be indemnified against any claim by the owner. Eitzen Chemical has also claimed demurrage from the charterer in the amount of approximately USD 0.2 million. The charterer has raised a claim against Eitzen of USD 0.3 million for additional costs for lighterage of the vessel in another port. Any possible liability for the Company will be covered by P&I insurance and/or hull & machinery insurance, save for the applicable deductible.

9.11.5 Nautilus

The charterers of the vessel Nautilus terminated a time charter party claiming breach of contract. Eitzen Chemical disputes the termination and has claimed damages in the amount of USD 0.7 million for unlawful termination.

9.11.6 Sichem Challenge

In 2010 the vessel Sichem Challenge was arrested in Venezuela by customs while loading a cargo which turned out to be subject to export restrictions contrary to the information given by the charterers. The vessel was later released. Eitzen Chemical claims damages from the charterer in the amount of USD 0.9 million.

9.11.7 Sichem Montreal

In 2011 World Fuel Services chartered the vessel Sichem Montreal to carry a cargo of jet fuel from Gibraltar to Malta. A dispute has arisen over cargo damage caused by addition of an additive. Charterers have claimed USD 0.7 million in compensation from Eitzen Chemical. The amount includes USD 0.3 million claimed by Eitzen Chemical, as owner, to charterers in the form of additional freight and demurrage. As charterers have never paid this amount, Eitzen Chemical as owner claim same paid, bringing their actual claim to approximately USD 0.4 million. This type of claim is not covered by P&I insurance.

9.12 Related party transactions

The table below provides the total amount of transactions which companies in the Group have entered into with related parties for the years 2014, 2013, 2012 and 2011. The Group has not entered into any related party transactions with entities with significant influence over Eitzen Chemical or entities which are controlled by a related party from the year ended 31 December 2014 to the date of this Document.

In USD thousand		Year ended 31 December			
Related party	**Type of transaction**	**2014**	**2013**	**2012**	**2011**
Entities with significant influence over Eitzen Chemical:					
Jason Shipping AS [1)]	Corporate adm. and office rent	-	-	-	-251
Companies which are a part of the Jason Shipping Group[1)] or controlled by a related party:					
EMS Seven Seas Group [2)]	IT services and corporate adm.	-	-	-	-621
Camillo Eitzen (Danmark) A/S	Office rent	-	-	-18	-70
Camillo Real A/S	Office rent	-	-182	-387	-415
Camillo Eitzen (Singapore) Pte Ltd	Corporate adm.	-	-7	-10	-206
Sigas (Singapore) Pte Ltd	Corporate adm.	-	-	-	8
Aage Figenschou AS [3)]	Consultancy services	-	-109	-98	-25
Bsc – Bjørn Sjaastad Consulting [4)]	Consultancy services	-	-	-211	-131

[1)] *Jason Shipping AS currently holds 34.0 per cent of the shares in Eitzen Chemical.*

[2)] *EMS Seven Seas Group was controlled by Jason Shipping AS until 21 December 2011. The table above includes all transactions up to that date.*

[3)] *Aage Figenschou AS is controlled by Chairman of the Board of Eitzen Chemical, Mr. Aage Figenschou.*

[4)] *Bsc – Bjørn Sjaastad Consulting is controlled by former Chairman of the Board of Eitzen Chemical, Bjørn J. Sjaastad*

For information on remuneration paid to the members of the board of directors and the executive management of Eitzen Chemical, see Sections14.1.5, and 14.2.3 respectively.

In addition to the Board of Directors remuneration, Chairman of the Board Aage Figenschou has delivered consultancy services related to the restructuring of Eitzen Chemical under a consultancy agreement. The term of the current consultancy agreement expires on 31 March 2015 and following completion of the Relocation and the Restructuring, it is not expected that such consultancy agreement will be continued going forward. The remuneration for the consultancy services was NOK 1.8 million in 2014. Aage Figenschou will, from January to March 2015, receive a monthly payment of NOK 200,000 in addition to a severance pay of NOK 2.4 million in March 2015.

Following completion of the Exchange Offer, the Team Tankers Group will continue the business of Eitzen Chemical through Team Tankers Ltd. as the holding company and the listed entity. Team Tankers Ltd. will purchase management services from Eitzen Chemical. The services will be priced at arm's length in line with the OECD guidelines. For information on the management agreement, see Section 14.2 "Management".

No other related party transactions have been entered into during 2014 and up until the date of this Document.

9.13 Significant trends and events

The demand for chemicals and refined oil products cargo transportation has historically grown at a factor of 1.5-2.0x GDP growth. World GDP is, according to the IMF[6], expected to grow by 3.5 per cent and 3.7 per cent in 2015 and 2016 respectively.

Shale gas abundance in the U.S. is expected to reshape the dynamics of chemical seaborne trade. The U.S. has a competitive advantage in producing ethylene related products used in the plastic industry and import mainly Benzene from the Far East. The Middle East is scaling up on production capacity of mainly paraxylene and benzene, which will be exported into the Far East and Europe. It is expected that the average haul of mainly larger chemical tankers will increase on the back of the U.S. shale gas boom whereby the ton-mile growth will outpace pure demand growth. Especially the average haul of vessels trading methanol is expected to increase. The U.S. has historically been net importer of methanol from Trinidad & Tobago, which will change once new methanol production plants come online in the U.S. Gulf, leading to a net export from the U.S. Methanol out of the U.S. and Trinidad & Tobago will therefore go into the long haul trade – primarily into the Far East.

The current order book[7] for chemical tankers is 5.8 million dwt, equivalent to about 16 per cent of the existing fleet. The order book to fleet ratio increased rapidly from the 4th quarter of 2013 and continued into 2014. New contracting has since then eased. However, overall fleet growth is still expected to be moderate in coming years with 4.2 per cent in 2015, 3.9 per cent in 2016 and 1.9 per cent in 2017. Main reason is new strict environmental requirements on both exhaust gas and ballast water treatment systems. The latter will require substantial capital expenditures and will reduce available tank capacity due to a higher than normal scrapping of primarily older small vessels, where the investment is not feasible.

It is expected that the chemical tanker market will improve on the back of stronger demand and a moderate growth in supply leading to an increased chemical tanker fleet utilization and thereby also improved rates in the spot market.

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[6] Source: *International Monetary Fund: World Economic Outlook, October 2014*

[7] Source: *Eitzen Chemical based on industry sources*

10 CAPITALIZATION AND INDEBTEDNESS

Following the completion of the Exchange Offer, the business of Eitzen Chemical will be accounted for as a continuation of the existing Eitzen Chemical Group and the pooling of interest method will be applied. The transaction will not be accounted for as a business combination and does not result in any change of economic substance. This section provides information about i) the Group's capitalization and net financial indebtedness on an actual basis as of 30 September 2014 and ii) in the "As Adjusted" column, the Group's capitalization and net financial indebtedness on an adjusted basis to show the results of the Debt Conversion and the New Financing (as described in section 12.8.1 "Material borrowings" below). The information of the capitalization and net financial indebtedness as of 30 September 2014 is derived from Eitzen Chemical's unaudited interim consolidated financial information as of 30 September 2014 (included in Appendix II).

Investors are cautioned that the As Adjusted figures included in the tables below are estimates. The information presented below should be read in conjunction with the other parts of this Document, in particular Sections 11 "Selected Consolidated Financial Information of Eitzen Chemical" and 12 "Operating and Financial Review", and the Financial Information attached as Appendices I-III of this Document.

10.1 Capitalization

In USD thousand	**As of 30 September 2014**	**As Adjusted**
	(unaudited)	
Indebtedness		
Total current debt:		
Guaranteed and secured [1]	2 000	-[3]
Guaranteed but unsecured	-	-
Secured but unguaranteed[2]	5 006	-[4]
Unguaranteed and unsecured	51 791	51 791
Total non-current debt:		
Guaranteed and secured [1]	813 449	100 000[5]
Guaranteed but unsecured	-	-
Secured but unguaranteed	-	-
Unguaranteed and unsecured	129 189	74 114[6]
Total indebtedness	**1 001 435**	**225 905**
Shareholder's equity		
Share capital	148 037	74 223[7]
Treasury shares	-116	-[8]
Legal reserves	-	-
Other reserves	-329 171	426 626[9]
Total shareholder's equity	**-181 250**	**500 849**
Total capitalization	**820 186**	**726 754**

[1] *Guaranteed by companies in the Group and secured by the Group's owned vessels and certain of the Group's assets.*
[2] *Secured by certain of the Group's assets.*
[3] *The As Adjusted current Guaranteed and secured debt figure reflects that this balance was prepaid in January 2015.*
[4] *The As Adjusted current Secured but unguaranteed debt figure reflects that this balance was repaid in January 2015.*
[5] *The As Adjusted non-current Guaranteed and secured debt figure reflects that USD 36.6 million of this balance was prepaid in January 2015, the exchange of a claim of USD 83 million under one of the bank facilities for a sale-leaseback agreement, involving three owned vessels in the Eitzen Chemical fleet, and that the remaining balance was converted into equity. Further, the As Adjusted figure reflects that the full principal amount of USD 100 million is drawn on the New Financing agreement, further described in section 12.8.1 "Material borrowings".*
[6] *The As Adjusted non-current Unguaranteed and unsecured debt figure reflects that USD 2.3 million of the unsecured bond loan was prepaid in January 2015, and that the remaining part of the unsecured bond loan was converted into equity.*

[7] *The As Adjusted Share capital figure reflects the reduction in the par value of Eitzen Chemical's shares, the cancellation of its 10,100 treasury shares and the issue of 552,236,076 new shares in January 2015.*
[8] *The As Adjusted Treasury share figure reflects the cancellation of Eitzen Chemical's treasury shares in January 2015.*
[9] *The As adjusted Other reserves figure reflects the reduction in the par value of Eitzen Chemical's shares and the conversion of USD 773 million of the debt in January 2015, in addition to the impairment of approximately USD 90 million expected to be recognized in the 4th quarter of 2014.*

The As Adjusted figures reflect the Group's capitalization after the Debt Conversion, the prepayment of the debt in January 2014 and the Refinancing, reflecting the full principal amount of USD 100,000,000.

Save for the above mentioned effects, there has been no material change to the Group's capitalization since 30 September 2014.

10.2 Net financial indebtedness

In USD thousand	**As of 30 September 2014** (unaudited)	**As Adjusted**
(A) Cash	32 085	84 664[1]
(B) Cash equivalents	-	-
I Trading securities	-	-
(D) Liquidity (A) + (B) + (C)	**32 085**	84 664
(E) Current Financial Receivables	**-**	**-**
(F) Current bank debt	-	-
(G) Current portion of non-current debt	7 006	-[2]
(H) Other current financial debt	15 099	15 099
(I) Current Financial Debt (F)+(G)+(H)	**22 105**	**15 099**
(J) Net Current Financial Indebtedness I(E)-(D)	**-9 980**	**-69 565**
(K) Non-current bank loans	754 531	100 000[3]
(L) Bonds issued	113 993	-[4]
(M) Other non-current loans	74 114	74 114
(N) Non-current Financial Indebtedness (K)+(L)+(M)	**942 639**	**174 114**
(O) Net Financial Indebtedness (J)+(N)	**932 659**	**104 549**

[1] *The As Adjusted Cash figure reflects the prepayment of USD 46 million in January 2015, in addition to USD 100 million on the New Financing agreement, further described in section 12.8.1 "Material borrowings".*
[2] *The As Adjusted Current bank debt figure reflects that the balance was prepaid in January 2015.*
[3] *The As Adjusted Non-current bank loans figure reflects that USD 25 million of the balance was prepaid in January 2015, the exchange of a claim of USD 83 million under one of the bank facilities for a sale-leaseback agreement, involving three owned vessels in the Eitzen Chemical fleet, and the remaining balance was converted into equity. Further, the As Adjusted figure reflects the drawdown of the full principal amount of USD 100 million on the New Financing agreement in January 2015.*
[4] *The As Adjusted Bonds issued figure reflects that USD 13.5 million of the balance was prepaid in January 2015, and the remaining balance was converted into equity.*

The As Adjusted figures reflect the Group's financial indebtedness after the Debt Conversion, the prepayment of the debt in January 2014 and the Refinancing, reflecting the full principal amount of USD 100,000,000.

10.3 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for the period covering at least 12 months from the date of this Document. Refer to section 12.8.1 "Material Borrowings" for details on the Company's New Financing agreement with the purpose of financing general working capital and corporate purposes, including but not limited to costs and fees associated with the balance sheet restructuring and repayment of existing debt.

10.4 Contingent and indirect indebtedness

As at 30 September 2014 and as at the date of the Document, the Group did not have any contingent or indirect indebtedness.

11 SELECTED CONSOLIDATED FINANCIAL INFORMATION OF EITZEN CHEMICAL

11.1 General

The Company was incorporated on 29 July 2014. The audited financial statements of the Company for the period from 29 July 2014 to 31 December 2014 have been prepared in accordance with IFRS as adopted by the EU. There has not been any activity in the Company in this period.

Following the completion of the Exchange Offer, the business of Eitzen Chemical will be accounted for as a continuation of the existing Eitzen Chemical Group and the pooling of interest method will be applied. The transaction will not be accounted for as a business combination and does not result in any change of economic substance. The tables set out in this Section 11 present selected financial information derived from, and are based on, Eitzen Chemical's audited consolidated financial statements (including the notes thereto) as of and for the years ended 31 December 2013, 2012 and 2011 (the Financial Statements, included in Appendices I and II), as well as the unaudited interim consolidated financial information as of and for the three and nine month periods ended 30 September 2014 and 2013 (the Interim Financial Statements, included in Appendix II). The Financial Statements have been prepared in accordance with IFRS as adopted by the EU. The Interim Financial Statements, combined with relevant information in the financial review, have been prepared in accordance with IAS 34 The Interim Financial Statements does not include all of the information required for full annual financial statements of the Group and should be read in conjunction with the Financial Statements.

The amounts from the financial information are presented in USD, rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial information may not add up to the total of that row or column.

The selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements and Interim Financial Statements included in Appendices I-III, of this Document and should be read together with Section 12 "Operating and Financial Review".

As a consequence of the recent material changes from the implementation of the PSA, including the Refinancing, the Financial Statements and the Interim Financial Statements do not necessarily provide the same indication on how the financial results will be going forward, as the Group has been significantly deleveraged through the implementation of the PSA.

11.2 Accounting policies

For information regarding accounting policies and the use of estimates and judgments, please refer to Notes 2 and 23 of the financial statements as of and for the financial years ended 31 December 2013. The accounting principles have been applied consistently for the periods presented. None of the new accounting standards that came into effect after 1 January 2014 has had a significant impact for the Group.

11.3 Consolidated historical financial information of Eitzen Chemical

11.3.1 Consolidated income statement

The table below sets out Eitzen Chemical's unaudited consolidated income statement for the three and nine months periods ended 30 September 2014 and 2013, and its audited consolidated income statement for the financial years ended 31 December 2013, 2012 and 2011.

In USD thousand	**Three months ended 30 September**		**Nine months ended 30 September**		**Year ended 31 December**		
	2014 (unaudited)	**2013** (unaudited)	**2014** (unaudited)	**2013** (unaudited)	**2013** (audited)	**2012** (audited)	**2011** (audited)
Freight revenue	86 732	93 833	263 782	287 119	380 603	401 248	426 039
Voyage expenses	-40 660	-42 836	-125 262	-133 612	-176 589	-206 655	-225 465
Freight income on T/C basis	**46 072**	**50 996**	**138 519**	**153 507**	**204 014**	**194 593**	**200 574**
Management fees and other income	-	-	-	-	-	1 933	5 654
Gross profit	**46 072**	**50 996**	**138 519**	**153 507**	**204 014**	**196 526**	**206 228**
Ship operating expenses	-26 212	-26 495	-77 647	-81 763	-107 722	-119 356	-123 144
Charterhire expenses	-9 567	-8 812	-26 695	-19 410	-27 711	-20 713	-31 979
General and administrative expenses	-6 042	-5 648	-18 100	-16 453	-23 322	-22 944	-25 505
EBITDA	**4 250**	**10 042**	**16 078**	**35 881**	**45 259**	**33 513**	**25 600**
Impairment	-1 521	-	-1 521	-	-	-70 391	-62 510
Depreciation and amortization	-13 562	-13 554	-42 715	-42 145	-57 225	-64 779	-77 586
Gain/(loss) on sale of assets	-	-	-	-14 744	-16 741	-10 172	3 661
EBIT	**-10 833**	**-3 512**	**-28 158**	**-21 008**	**-28 707**	**-111 829**	**-110 835**
Interest income	3	2	6	8	11	92	453
Interest expenses	-15 696	-14 329	-46 151	-44 102	-58 887	-46 976	-43 683
Other financial items	2 827	-531	-133	11 664	12 988	22 398	2 566
Profit/(loss) before taxes	**-23 700**	**-18 370**	**-74 436**	**-53 442**	**-74 595**	**-136 315**	**-151 499**
Income tax expense	-	-9	-1	-4	-	-1	-2 530
Net profit/(loss)	**-23 700**	**-18 379**	**-74 437**	**-53 442**	**-74 595**	**-136 316**	**-154 029**

11.3.2 Consolidated statement of comprehensive income

The table below sets out the Group's unaudited consolidated statement of comprehensive income for the three and nine months periods ended 30 September 2014 and 2013, and its audited consolidated statement of comprehensive income for the years ended 31 December 2013, 2012 and 2011.

In USD thousand	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)	2013 (audited)	2012 (audited)	2011 (audited)
Net profit (loss)	**-23 700**	**-18 379**	**-74 437**	**-53 442**	**-74 595**	**-136 316**	**-154 029**
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-129	-	-
Total items that will not be reclassified to profit or loss	**-**	**-**	**-**	**-**	**-129**	**-**	**-**
Foreign currency translation differences	-51	22	-58	18	35	25	-625
Total items that may be reclassified to profit or loss	**-51**	**22**	**-58**	**18**	**35**	**25**	**-625**
Other comprehensive income, net of taxes	**-51**	**22**	**-58**	**18**	**-94**	**25**	**-625**
Total comprehensive income, net of taxes	**-23 751**	**-18 357**	**-74 495**	**-53 424**	**-74 689**	**-136 291**	**-154 654**

11.3.3 Consolidated statement of financial position

The table below sets out the Group's unaudited consolidated interim statement of financial position as of 30 September 2014, and its audited consolidated statement of financial position as of 31 December 2013, 2012 and 2011.

In USD thousand	As of 30 September	As of 31 December		
	2014 (unaudited)	2013 (audited)	2012 (audited)	2011 (audited)
ASSETS				
Vessels	639 597	672 306	706 102	759 500
Vessels held under finance leases	93 728	93 045	152 499	235 637
Other equipment	299	278	205	419
Other non-current assets	1 029	2 058	3 347	2 000
Total non-current assets	**734 652**	**767 687**	**862 153**	**997 556**
Trade and other receivables	40 839	50 675	50 951	62 375
Inventories	14 817	17 325	16 681	20 457
Other current assets	1 891	4 903	1 911	2 404
Cash and cash equivalents	32 085	30 615	30 926	66 826
Total current assets	**89 632**	**103 518**	**100 469**	**152 062**
Vessels held for sale	4 401	-	-	-
TOTAL ASSETS	**828 685**	**871 204**	**962 622**	**1 149 618**
EQUITY AND LIABILITIES				
Share capital	148 037	148 037	148 037	148 037
Share premium	20 550	20 550	20 550	20 550
Treasury shares	-116	-116	-116	-116
Other paid in equity	631 440	631 440	631 440	631 440
Total paid in capital	**799 911**	**799 911**	**799 911**	**799 911**

Retained earnings	-990 762	-916 326	-841 681	-705 365
Other reserves	9 602	9 660	9 625	9 600
Total equity	**-181 250**	**-106 754**	**-32 144**	**104 146**
Long-term debt	868 524	828 092	13 263	761 666
Obligations under finance leases	74 115	55 113	140 149	186 587
Other non-current liabilities	1 580	225	202	562
Total non-current liabilities	**944 219**	**883 430**	**153 614**	**948 815**
Trade and other payables	36 692	51 153	58 568	70 786
Short-term debt and current portion of long-term debt	7 006	-	769 793	11 669
Current portion of obligations under finance leases	15 099	42 849	12 380	13 406
Other current liabilities	6 918	526	411	796
Total current liabilities	**65 715**	**94 528**	**841 152**	**96 657**
Total liabilities	**1 009 934**	**977 958**	**994 766**	**1 045 472**
TOTAL EQUITY AND LIABILITIES	**828 685**	**871 204**	**962 622**	**1 149 618**

11.3.4 Consolidated cash flow statement

The table below sets out the Group's unaudited consolidated interim statements of cash flows for the three and nine month periods ended 30 September 2014 and 2013, and its audited consolidated statements of cash flows for the financial years ended 31 December 2013, 2012 and 2011.

In USD thousand	**Three months ended 30 September**		**Nine months ended 30 September**		**Year ended 31 December**		
	2014	**2013**	**2014**	**2013**	**2013**	**2012**	**2011**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Profit/(loss) before taxes	-23 700	-18 371	-74 436	-53 439	-74 595	-136 315	-151 499
Non-cash adjustments							
(Gain)/loss on sale of assets	-	-	-	14 744	16 741	10 172	-3 661
Depreciation and amortization	13 562	13 554	42 715	42 145	57 225	64 779	77 586
Impairment	1 521	-	1 521	-	-	70 391	62 510
Effect of updated estimated finance lease obligations	-	-	-	-	-	-30 432	-11 135
Net interest expenses	15 693	14 327	46 145	44 094	58 876	46 884	43 230
Foreign currency (gain)/loss	-5 302	444	-4 469	-11 544	-14 517	2 292	5 341
Working capital and other adjustments	7 188	3 146	8 344	-11 239	-4 194	8 441	-5 490
Net cash flow from operating activities	**8 963**	**13 100**	**19 819**	**24 762**	**39 537**	**36 211**	**16 883**
Net proceeds from sale of vessels	-	2 409	-	2 409	2 409	5 954	2 821
Payments on vessels (mainly upgrading and docking)	-959	-7 722	-12 700	-10 803	-19 123	-14 806	-19 871
Interest received	3	2	6	8	11	92	489
Net cash flow from investing activities	**-957**	**-5 310**	**-12 694**	**-8 386**	**-16 703**	**-8 760**	**-16 561**
Proceeds from borrowings	-	226	14 000	**15 226**	15 226	2 139	416
Repayment of long term debt	-994	-	-994	-5 211	-5 211	-7 033	-5 399
Repayment of obligations under finance leases	-1 446	-1 749	-7 747	-8 733	-10 510	-13 407	-12 420
Interest paid	-2 355	-2 181	-6 781	-8 140	-10 308	-39 914	-39 706
Payment of other financial costs	-2 412	-	-4 809	-11 684	-12 537	-5 544	-
Net proceeds from share issuance	-	-	-	-	-	-	52 919
Net cash flow from financing activities	**-7 206**	**-3 703**	**-6 331**	**-18 542**	**-23 341**	**-63 759**	**-4 191**
Net change in cash and cash equivalents	**800**	**4 087**	**794**	**-2 166**	**-507**	**-36 308**	**-3 868**
Cash and cash equivalents at the beginning of period	30 741	24 670	30 615	30 926	30 926	66 826	72 121
Effect of exchange rate changes on cash	544	155	676	151	195	408	-1 427
Cash and cash equivalents at the end of period	**32 085**	**28 911**	**32 085**	**28 911**	**30 615**	**30 926**	**66 826**

11.3.5 Consolidated statement of changes in equity

The table below sets out the Group's unaudited consolidated interim statement of changes in equity for the nine months ended 30 September 2014, and its audited consolidated statements of changes in equity for the financial years ended 31 December 2013, 2012 and 2011.

In USD thousand	**Nine months ended 30 September**	**Year ended 31 December**		
	2014 (unaudited)	**2013** (audited)	**2012** (audited)	**2011** (audited)
Balance at the end of the previous period	**-106 754**	**-32 144**	**104 146**	**205 435**
Implementation of revised IAS19	-	79	-	-
Balance at the beginning of the period	**-106 754**	**-32 065**	**104 146**	**205 435**
Profit (loss) for the period	-74 437	-74 595	-136 316	-154 029
Other comprehensive income	-58	-94	25	-625
Issue of share capital	-	-	-	55 282
Transaction costs	-	-	-	-2 363
Share-based payment	-	-	-	446
Balance at the end of the period	**-181 250**	**-106 754**	**-32 144**	**104 146**

11.3.6 Selected additional data and financial measures

	Three months ended 30 September		**Nine months ended 30 September**		**Year ended 31 December**		
	2014	**2013**	**2014**	**2013**	**2013**	**2012**	**2011**
TCE rate (in USD)	10 014	11 231	10 333	11 448	11 510	10 275	9 516
EBITDA margin	9.2%	19.7%	11.6%	23.4%	22.2%	17.2%	12.8%
Interest coverage ratio	-0.7	-0.2	-0.6	-0.5	-0.5	-2.4	-2.5
Equity ratio	-21.9%	-	-21.9%	-	-12.3%	-3.3%	9.1%

11.3.7 Operating segments

The revenues and operating results of Eitzen Chemical relate to its chemical tanker operations which are carried out internationally and cannot be attributed to any particular geographical location or separated into various products. Consequently, Eitzen Chemical has only one reportable segment: chemical tankers.

11.4 Significant change in Eitzen Chemical's financial or trading position after 30 September 2014

Save as described in section 7 herein, there have been no significant changes in the financial or trading position of the Group since the date of the Interim Financial Statements, which have been included in this Document.

In December 2014, Eitzen Chemical chose not to exercise the option to extend the time charter on the Sichem Onomichi. The vessel is expected to be redelivered to owners in February 2015.

As announced on 23 December 2014, the Group is expected to recognize an estimated impairment of approximately USD 90 million in the 4th quarter of 2014. As a consequence the book value of the fleet will reflect estimated fair value, i.e. based on external quotes from independent ship brokers. As the loans converted to equity will constitute about 98.0 per cent of Eitzen Chemical's equity after the debt conversion, it is considered appropriate to utilize the same valuation technique as used in the debt conversion when performing

the impairment test of Eitzen Chemical's vessels in the 4th quarter. Therefore, Eitzen Chemical is expected to recognize an estimated impairment in the 4th quarter of 2014 which will align the book value of the vessels to current broker valuations (refer to Appendix V for broker valuations at 20 January 2015).

11.5 Historical financial information of Team Tankers International Ltd.

The Company was incorporated on 29 July 2014. The audited financial statements of the Company for the period from 29 July 2014 to 31 December 2014 are included in Appendix IV. There has not been any activity in the Company in this period.

11.6 Statutory auditors

The Company's and Eitzen Chemical's auditor is Ernst & Young AS, Dronning Eufemias gate 6, P.O. Box 20 Oslo Atrium, NO-0051 Oslo, Norway. The audit partners of Ernst & Young AS are members of the Norwegian Institute of Public Accountants (DnR). Ernst & Young AS has been the auditor of the Company since the incorporation in 2014, and the auditor of Eitzen Chemical since the fiscal year 2006. The auditor's reports on the Financial Statements are included together with the Financial Statements in Appendices I and II. The Interim Financial Statements has not been audited.

Ernst & Young AS has not audited, reviewed or produced any report on any other information provided in this Document.

The audit opinion for the financial year ended 31 December 2013 included the following emphasis of matter from Ernst & Young AS:

"Without qualifying our opinion, we draw attention to the Board of Director's Report and notes to the Group's financial statements regarding the basis for applying the going concern assumption. Whilst both the parent company and the Group have negative equity as of 31 December 2013, the agreement with the lenders provides a basis for continued operations. Our opinion is not qualified in respect of this matter."

The Board of Directors stated the following in the Board of Directors report to the financial statements for the year ended 31 December 2013 (which is of relevance for the emphasis of matter):

"As announced on 24 October 2013, the Company and its senior lenders started a process to explore opportunities to strengthen the balance sheet and raise new equity so the Company again can invest and add to its asset base and market presence. During this process, a majority of the Company's senior debt has traded, following which a large portion of the Company's debt is now held by investment funds. This has created a new dynamic to the process. Eitzen Chemical is currently in dialogue with its creditors to explore various alternatives.

There is significant risk associated with the current leverage of the Company and the liquidity risk inherent in the Company's financial liabilities is considerable. Therefore, the Company believes this is an appropriate time to consider various changes to its capital structure, as the current capital structure is such that covering the total debt in 2016 is associated with considerable uncertainty, even with a market recovery. This restricts the Company's ability to grow and to pursue attractive commercial opportunities. The Company also believes that the present market conditions are favourable with respect to investment in the chemical tanker market, and a stronger balance sheet and investment capacity is necessary to carry out the Company's strategy. Following the recent trade of debt, Evercore Group L.L.C. has been mandated solely as the Company's financial advisor to assist in this process."

The audit opinion for the financial year ended 31 December 2012 included the following emphasis of matter from Ernst & Young AS:

"Without qualifying our opinion, we draw attention to the Board of Director's Report and notes to the Group's financial statements regarding the basis for applying the going concern assumptions. Whilst both the parent company and Group have negative equity as of 31 December 2012, the agreement with the lenders provides a basis for continued operations. Our opinion is not qualified in respect of this matter."

The audit opinion for the financial year ended 31 December 2011 included the following emphasis of matter from Ernst & Young AS:

"Without qualifying our opinion, we draw attention to the Board of Director's Report and note 23 and note 24 in the Group's financial statements, which indicate that there is a significant doubt about the ability to continue as a going concern due to the risk related to the Company's ability to meet its financial obligations. We also draw attention to note 12 in the Group's financial statements and note 6 in the parent Company's financial statement which indicate that vessel values and shares in subsidiaries are based on value use and do not reflect impairment charges or losses if the Company's assets are sold in the current prevailing market. Our opinion is not qualified in respect of this matter."

12 OPERATING AND FINANCIAL REVIEW

12.1 Overview

The following is a discussion of the Group's results of operations and financial condition for the nine month periods ended 30 September 2014 and 2013, the years ended 31 December 2013, 2012 and 2011. Investors should read the following discussion, together with the whole of this Document, including section 2 "Risk factors" and the Group's historical consolidated financial statements included in Appendices I-III, and should not just rely on the key or summarized information contained in this section.

Eitzen Chemical was significantly overleveraged with a long-term debt, including obligations under finance leases, of USD 964.7 million and negative book equity value of USD 181.3 million as of 30 September 2014. The capital structure at that time was such that covering the total debt was associated with considerable uncertainty, even with a market recovery. Following the Debt Conversion and the New Financing, Eitzen Chemical strengthened the book equity and liquidity position by approximately USD 773 million and the balance sheet was significantly strengthened. After the completion of the Debt Conversion Eitzen Chemical's liquidity situation is considered to be satisfactory.

This section contains forward-looking statements. Those statements are subject to risks, uncertainties and other factors that could cause the Group's future results of operations or cash flows to differ materially from the results of operations or cash flows expressed or implied in such forward looking statements. See Section 4 "General information" for more information on forward-looking statements.

12.2 Key factors affecting the Group's results of operation and financial performance

The Group's results are driven primarily by the number of vessels in the fleet, the number of days during which the vessels in the fleet operate and the freight rates that the Group's vessels earn under spot and CoA voyages and time charters.

Freight rates are determined by market forces based on various factors, such as World GDP development, supply and demand for chemicals and the number of ships available for the transportation of the chemicals. Under CoA agreements the freight rate normally is agreed on a per cargo ton basis. Under time charter agreements, rates are fixed at the time of the agreement and so they reflect the prevailing spot market rates and expectations of future time charter rates at the time in which the time charters are entered.

As a consequence of the recent material changes from the implementation of the PSA, including the Refinancing, the Financial Statements and the Interim Financial Statements do not necessarily provide the same indication on how the financial results will be going forward, as the Group has been significantly deleveraged through the implementation of the PSA.

12.3 Recent developments and trends

In the 1st quarter of 2014, transpacific freight rates from US Gulf to Far East decreased significantly compared to the 4th quarter of 2013. The bad weather in the Atlantic basin continued well in to February affecting the result negatively on our vessels trading Continent to/from Mediterranean, East coast Canada to/from US Gulf and vessels going transatlantic, as bunker consumption increased and several voyages were significantly delayed. Further, the winter in Canada was the coldest in 30 years creating delays and cost for additional tugs. The clean petroleum products ("**CPP**") market in the US Gulf/Caribbean strengthened during the quarter, increasing activity for our vessel in this trade. The Far East market started with very low activity in general. The low activity was further intensified by the Chinese New Year in the end of January.

The downward pressure on freight rates continued in 2nd quarter in almost all markets. The transatlantic Medium Range ("**MR**") CPP market dropped from World Scale 120 to World Scale 90 compared to the 1st quarter. The weak CPP market put pressure on freight rates on other commodities. As an example, the freight rate for urea ammonium nitrate ("**UAN**") out of Black Sea to US dropped by 30 per cent. The dirty petroleum products market in the Mediterranean and Black Sea for MR and intermediate vessels was very slow putting pressure on the smaller tonnage trading in the same area. The market experienced good activity transpacific eastbound from the Far East to the US Gulf with methanol and benzene. However, the activity remained very low on the transpacific westbound route, i.e. from the US Gulf to the Far East, resulting in spot vessels piling up in the US Gulf. The chemical market transatlantic westbound was very slow; some owners even ballasted to the US Gulf to position vessels for their COA commitments.

In the 3rd quarter of 2014, the downward pressure on freight rates continued due to the weak summer market, with unusual slow market activity through September. The summer market was especially slow in Europe and North and South America. However, the freight rate levels in the MR market from the Far East to the US Gulf improved throughout the quarter, with freight rates on these traditional back haul voyages exceeding the freight rates on the traditional front haul voyages from the US Gulf to the Far East. The transatlantic MR CPP market remained at low World Scale 90 in the 3rd quarter. The dirty petroleum products (DPP) market in the Mediterranean slowed down further from the slow 2nd quarter, resulting in idle days due to lack of activity

Since 30 September 2014, the chemical tanker market and the bunker prices have developed favorably. Eitzen Chemical will close 2014 with improved rates and utilization in most of the trade lanes. Compared to the 3rd quarter, the average time charter equivalent rate for the fleet is expected to increase by about 10 per cent in the 4th quarter.

As announced on 23 December 2014, the Group is expected to recognize an estimated impairment of approximately USD 90 million in the 4th quarter of 2014. As a consequence the book value of the fleet will reflect estimated fair value, i.e. based on external quotes from independent ship brokers. As the loans converted to equity will constitute about 98.0 per cent of Eitzen Chemical's equity after the Debt Conversion, it is considered appropriate to utilize the same valuation technique as used in the Debt Conversion when performing the impairment test of Eitzen Chemical's vessels in the 4th quarter. Therefore, Eitzen Chemical is expected to recognize an estimated impairment in the 4th quarter of 2014 which will align the book value of the vessels to current broker valuations.

Except for the Refinancing as described in section 12.8.1 "Material Borrowings", there have been no significant changes in the financial or trading position of the Group since the date of the Interim Financial Information for the nine months ended 30 September 2014, included in this Document.

12.4 Explanation of income statement line items

The Company uses a variety of financial and operational terms and concepts when analyzing the Group's performance. These include the following:

12.4.1 Freight income on T/C basis

Freight income on T/C basis is the net of freight revenue and voyage expenses. Freight revenue consists of gross freight income and time charter income for owned and leased vessels. Voyage expenses are expenses directly related to a vessel's voyage, such as bunker fuel expenses, commission expenses, port fees, canal tolls and agency fees.

12.4.2 Ship operating expenses

Ship operating expenses consist of expenses from operating vessels, such as crew costs, repairs and maintenance, insurance, lube oils, provisions, communications and other miscellaneous expenses.

12.4.3 Charterhire expenses

Charterhire expenses are the hire payments for vessels chartered in on bareboat and time charter contracts classified as operating leases.

12.4.4 General and administrative expenses

General and administrative expenses primarily consists of the salary and benefits of the Group's employees, along with professional fees, office rent and other office expenses, travel and entertainment costs and information technology and communication expenses.

12.4.5 EBITDA

EBITDA is the Earnings Before Interest, Taxes, Depreciation and Amortization.

12.4.6 Impairment

Impairment is the impairment charge recognized in a period after performing an impairment test.

12.4.7 Depreciation and amortization

Depreciation expenses are based on the cost of the ships less its estimated residual value, on a straight-line basis. Costs associated with dry-dockings and ship upgrades are included in the carrying value of ships and depreciated on a straight-line basis over the duration of the dry-docking cycle or based on the Group's assessment of the useful lives of the upgrades.

12.4.8 Gain/(loss) on sale of assets

Gain/(loss) on sale of assets reflects the excess of sale proceeds over the net book value (purchase price less accumulated depreciation and impairment) of a sold asset.

12.4.9 EBIT

EBIT is the Earnings Before Interest and Taxes.

12.4.10 Net financial items

Net financial items are the net of interest income and expenses, in addition to foreign currency exchange gain/(loss) and other financial income or expenses. Interest expenses includes interest expenses for long term debt and calculated interest under lease agreements classified as finance leases.

12.5 Results of operations for the Group

12.5.1 Three months ended 30 September 2014 compared to the three months ended 30 September 2013

The table below is extracted from the Interim Financial Information for the three months ended 30 September 2014 and 2013.

In USD thousand	Three months ended 30 September	
	2014 (unaudited)	**2013** (unaudited)
Freight revenue	86 732	93 833
Voyage expenses	-40 660	-42 836
Freight income on T/C basis	**46 072**	**50 996**
Ship operating expenses	-26 212	-26 495
Charterhire expenses	-9 567	-8 812
General and administrative expenses	-6 042	-5 648
EBITDA	**4 250**	**10 042**
Impairment	-1 521	-
Depreciation and amortization	-13 562	-13 554
EBIT	**-10 833**	**-3 512**
Net financial items	-12 866	-14 858
Profit/(loss) before taxes	**-23 700**	**-18 370**
Income tax expense	-	-9
Net profit/(loss)	**-23 700**	**-18 379**

Freight income on T/C basis

Freight revenue was USD 86.7 million in the three-month period ended 30 September 2014, compared to USD 93.8 million in the three-month period ended 30 September 2013. Freight income on T/C basis was USD 46.1 million in the 3rd quarter of 2014, down from USD 51.0 million in the 3rd quarter of 2013. The average time charter rate in the 3rd quarter of 2014 was 10,014 per day, down from 11,231 per day in the 3rd quarter of 2013.

Ship operating expenses

Ship operating expenses were USD 26.2 million in the three-month period ended 30 September 2014, down by USD 0.3 million from the three-month period ended 30 September 2013.

Charterhire expenses

Charterhire expenses were USD 9.6 million in the three-month period ended 30 September 2014, up from USD 8.8 million in the three-month period ended 30 September 2013. The increase is mainly due to the delivery of three vessels on operating leases during the 4th quarter of 2013 and the 1st quarter of 2014, partly offset by the termination of a bareboat charter in the 4th quarter of 2013.

General and administrative expenses

General and administrative expenses were USD 6.0 million in the three-month period ended 30 September 2014, compared to USD 5.6 million in the three-month period ended 30 September 2013.

EBITDA

For the reasons described above, EBITDA (earnings before interest, taxes, depreciation and amortization) ended at USD 4.3 million in the three-month period ended 30 September 2014, compared to USD 10.0 million in the

three-month period ended 30 September 2013. The EBITDA margin decreased to 9.2 per cent in the three-month period ended 30 September 2014 from 19.7 per cent in the three-month period ended 30 September 2013.

Impairment
In the three-month period ended 30 September 2014, the Company recognized an impairment loss of USD 1.5 million on a vessel held for sale as of 30 September 2014. This compares to an impairment of nil in the three-month period ended 30 September 2013.

As announced on 23 December 2014, the Group is expected to recognize an estimated impairment of approximately USD 90 million in the 4th quarter of 2014. As a consequence the book value of the fleet will reflect estimated fair value, i.e. based on external quotes from independent ship brokers. As the loans converted to equity will constitute about 98.0 per cent of Eitzen Chemical's equity after the Debt Conversion, it is considered appropriate to utilize the same valuation technique as used in the Debt Conversion when performing the impairment test of Eitzen Chemical's vessels in the 4th quarter. Therefore, Eitzen Chemical is expected to recognize an estimated impairment in the 4th quarter of 2014 which will align the book value of the vessels to current broker valuations (refer to Appendix V for broker valuations at 20 January 2015).

Depreciation and amortization
Depreciation and amortization amounted to USD 13.6 million in the three-month period ended 30 September 2014, stable from the USD 13.6 million reported in the three-month period ended 30 September 2013.

EBIT
For the reasons described above, the Operating result (EBIT) for the three-month period ended 30 September 2014 was negative USD 10.9. This compares to a negative EBIT of USD 3.5 for the three-month period ended 30 September 2013.

Net financial items
Net financial items were negative USD 12.9 million in the three-month period ended 30 September 2014, compared to negative USD 14.9 in the three-month period ended 30 September 2013. The net financial items included net interest expenses of USD 15.6 in the 3rd quarter of 2014, compared to USD 14.3 in the 3rd quarter of 2013. Net financial items in the 3rd quarter of 2014 also included positive Other financial items of USD 2.8 million, compared to negative Other financial items of 0.5 million in the 3rd quarter of 2013, mainly related to net unrealized currency effects of the NOK denominated bond loans and JPY denominated purchase options included in the finance lease obligations.

Profit/(loss) before taxes
For the reasons described above, loss before taxes for the three-month period ended 30 September 2014 was USD 23.7 million compared to USD 18.4 million for the three-month period ended 30 September 2013.

Income tax expense
Income tax expense was nil in the three-month period ended 30 September 2014, compared to an income tax expense of USD 9 thousand in the three-month period ended 30 September 2013.

Net profit/(loss)
For the reasons described above, net loss in the three-month period ended 30 September 2014 was USD 23.7 million compared to USD 18.4 million in the three-month period ended 30 September 2013.

12.5.2 Nine months ended 30 September 2014 compared to the nine months ended 30 September 2013

The table below is extracted from the Interim Financial Information for the nine months ended 30 September 2014 and 2013.

In USD thousand	**Nine months ended 30 September**	
	2014 (unaudited)	**2013** (unaudited)
Freight revenue	263 782	287 119
Voyage expenses	-125 262	-133 612
Freight income on T/C basis	**138 519**	**153 507**
Ship operating expenses	-77 647	-81 763
Charterhire expenses	-26 695	-19 410
General and administrative expenses	-18 100	-16 453
EBITDA	**16 078**	**35 881**
Impairment	-1 521	-
Depreciation and amortization	-42 715	-42 145
Gain/(loss) on sale of assets	-	-14 744
EBIT	**-28 158**	**-21 008**
Net financial items	-46 278	-32 430
Profit/(loss) before taxes	**-74 436**	**-53 438**
Income tax expense	-1	-4
Net profit/(loss)	**-74 437**	**-53 442**

Freight income on T/C basis

Freight revenue was USD 263.8 million in the nine-month period ended 30 September 2014, compared to USD 287.1 million in the nine-month period ended 30 September 2013. Freight income on T/C basis was USD 138.5 million in the first nine months of 2014, down from USD 153.5 million in the first nine months of 2013. The average time charter rate in the first nine months of 2014 was 10,333 per day, down from 11,448 per day in the first nine months of 2013.

Ship operating expenses

Ship operating expenses were USD 77.6 million in the nine-month period ended 30 September 2014, down USD 4.1 million from the nine-month period ended 30 September 2013, mainly following redelivery of vessels and renegotiations of time charter contracts in 2013.

Charterhire expenses

Charterhire expenses were USD 26.7 million in the nine-month period ended 30 September 2014, up from USD 19.4 million in the nine-month period ended 30 September 2013. The increase is mainly due to the delivery of three vessels on operating leases during the 4th quarter of 2013 and the 1st quarter of 2014. Further, Charterhire expenses were impacted by the renegotiation of three charter parties in 2013. These time charter parties were previously accounted for as finance leases, but are classified as operating leases under the current charter contracts.

General and administrative expenses

General and administrative expenses were USD 18.1 million in the nine-month period ended 30 September 2014, compared to USD 16.5 million in the nine-month period ended 30 September 2013.

EBITDA

For the reasons described above, EBITDA (earnings before interest, taxes, depreciation and amortization) ended at USD 16.1 million in the nine-month period ended 30 September 2014, compared to USD 35.9 million in the nine-month period ended 30 September 2013. The EBITDA margin decreased to 11.6 per cent in the nine-month period ended 30 September 2014 from 23.4 per cent in the nine-month period ended 30 September 2013.

Impairment

In the nine-month period ended 30 September 2014, the Company recognized an impairment loss of USD 1.5 million on a vessel held for sale as of 30 September 2014. This compares to an impairment of nil in the nine-month period ended 30 September 2013.

As announced on 23 December 2014, the Group is expected to recognize an estimated impairment of approximately USD 90 million in the 4th quarter of 2014. As a consequence the book value of the fleet will reflect estimated fair value, i.e. based on external quotes from independent ship brokers. As the loans converted to equity will constitute about 98.0 per cent of Eitzen Chemical's equity after the Debt Conversion, it is considered appropriate to utilize the same valuation technique as used in the Debt Conversion when performing the impairment test of Eitzen Chemical's vessels in the 4th quarter. Therefore, Eitzen Chemical is expected to recognize an estimated impairment in the 4th quarter of 2014 which will align the book value of the vessels to current broker valuations (refer to Appendix V for broker valuations at 20 January 2015).

Depreciation and amortization

Depreciation and amortization amounted to USD 42.7 million in the nine-month period ended 30 September 2014, up from USD 42.1 million in the nine-month period ended 30 September 2013.

Gain/(loss) on sale of assets

Gain/(loss) on sale of assets was nil in the nine-month period ended 30 September 2014. This compares to a loss of USD 14.7 million in the nine-month period ended 30 September 2013 from the early terminations of the time charter of the Sichem Defender (20,000 dwt, built 2007) and two time charter contracts which were renegotiated.

EBIT

For the reasons described above, the Operating result (EBIT) for the nine-month period ended 30 September 2014 was negative USD 28.2. This compares to a negative EBIT of USD 21.0 for the nine-month period ended 30 September 2013.

Net financial items

Net financial items were negative USD 46.3 million in the nine-month period ended 30 September 2014, compared to negative USD 32.4 in the nine-month period ended 30 September 2013. The net financial items included net interest expenses of USD 46.2 in the first nine months of 2014, compared to USD 44.1 in the first nine months of 2013. Net financial items in the first nine months of 2014 also included negative Other financial items of USD 0.1 million, compared to positive Other financial items of 11.7 million in the first nine months of 2013, mainly related to net unrealized currency gain on the NOK denominated bond loans and JPY denominated purchase options included in the finance lease obligations.

Profit/(loss) before taxes

For the reasons described above, loss before taxes for the nine-month period ended 30 September 2014 was USD 74.4 million compared to USD 53.4 million for the nine-month period ended 30 September 2013.

Income tax expense

Income tax expense was USD 1 thousand in the nine-month period ended 30 September 2014, compared to an income tax expense of USD 4 thousand in the nine-month period ended 30 September 2013.

Net profit/(loss)

For the reasons described above, net loss in the nine-month period ended 30 September 2014 was USD 74.4 million compared to USD 54.4 million in the nine-month period ended 30 September 2013.

12.5.3 Year ended 31 December 2013 compared to year ended 31 December 2012

The table below is extracted from the Financial Information for the years ended 31 December 2013 and 2012.

In USD thousand	**Year ended 31 December**	
	2013 (audited)	**2012** (audited)
Freight revenue	380 603	401 248
Voyage expenses	-176 589	-206 655
Freight income on T/C basis	**204 014**	**194 593**
Management fees and other income	-	1 933
Gross profit	**204 014**	**196 526**
Ship operating expenses	-107 722	-119 356
Charterhire expenses	-27 711	-20 713
General and administrative expenses	-23 322	-22 944
EBITDA	**45 259**	**33 513**
Impairment	-	-70 391
Depreciation and amortization	-57 225	-64 779
Gain/(loss) on sale of assets	-16 741	-10 172
EBIT	**-28 707**	**-111 829**
Net financial items	-45 888	-24 486
Profit/(loss) before taxes	**-74 595**	**-136 315**
Income tax expense	-	-1
Net profit/(loss)	**-74 595**	**-136 316**

Freight income on T/C basis

Freight revenue was USD 380.6 million in 2013 compared to USD 401.2 million in 2012. Freight income on T/C basis was USD 204.0 million in 2013, up from USD 194.6 million in 2012. The average time charter rate in 2013 was 11,510 per day, up from 10,275 per day in 2012. The increase in the TCE on Freight income on T/C basis was offset by a decrease in total trading days following a reduction in the fleet.

Management fees and other income

Management fees and other income were nil in 2013 following the completion of the strategy of discontinuing as pool manager to improve the Company's operating performance. This compares to Management fees and other income of USD 1.9 million in 2012.

Ship operating expenses

Ship operating expenses were USD 107.7 million in 2013, down USD 11.6 million from 2012 following a reduction in the fleet.

Charterhire expenses

Charterhire expenses were USD 27.7 million in 2013, up from USD 20.7 million in 2012. The increase is mainly due to three renegotiated time charter parties. These time charter parties were in previous periods accounted for as financial leases, but are classified as operating leases under the current charter contracts and thus increasing Charterhire expenses.

General and administrative expenses
General and administrative expenses were USD 23.3 million in 2013 compared to USD 23.0 million in 2012.

EBITDA
For the reasons described above, EBITDA (earnings before interest, taxes, depreciation and amortization) ended at USD 45.3 million in 2013 compared to USD 33.5 million in 2012. The EBITDA margin was 22.2 per cent in 2013, compared to 17.2 per cent in 2012.

Impairment
Impairment was nil in 2013 compared to an impairment of USD 70.4 million in 2012.

Depreciation and amortization
Depreciation and amortization amounted to USD 57.2 million in 2013, down from USD 64.8 million in 2012.

Gain/(loss) on sale of assets
Gain/(loss) on sale of assets in 2013 was USD 16.7 million from the early terminations of the time charter of the Sichem Defender (20,000 dwt, built 2007) and the bareboat charter of the Sichem Pace (19,998 dwt, built 2006), and from two time charter contracts which were renegotiated. This compares to a loss of USD 10.2 million from the sales the Sichem Pearl (10,331 dwt, built 1994), the Ievoli Silver (5,400 dwt, built 1992) and the Torquato (5,400 dwt, built 1992) in 2012.

EBIT
For the reasons described above, the Operating result (EBIT) for 2013 was negative USD 28.7. This compares to a negative EBIT of USD 111.8 in 2012.

Net financial items
Net financial items were negative USD 45.9 million in 2013, compared to negative USD 24.5 in 2012. The net financial items included net interest expenses of USD 58.9 in 2013, compared to USD 47.0 in 2012. Net financial items in 2013 also included positive Other financial items of USD 13.0 million, which mainly comprises a net unrealized currency gain on the NOK denominated bond loans and JPY denominated purchase options included in the finance lease obligations. This compares to Other financial items of 22.4 million in 2012.

Profit/(loss) before taxes
For the reasons described above, loss before taxes in 2013 was USD 74.6 million compared to USD 136.3 million in 2012.

Income tax expense
Income tax expense was nil in 2013 compared to an income tax expense of USD 1 thousand in 2012.

Net profit/(loss)
For the reasons described above, net loss in 2013 was USD 74.6 million compared to USD 136.3 million in 2012.

12.5.4 Year ended 31 December 2012 compared to year ended 31 December 2011

The table below is extracted from the Financial Information for the years ended 31 December 2012 and 2011.

In USD thousand	Year ended 31 December	
	2012 (audited)	**2011** (audited)
Freight revenue	401 248	426 039
Voyage expenses	-206 655	-225 465
Freight income on T/C basis	**194 593**	**200 574**
Management fees and other income	1 933	5 654
Gross profit	**196 526**	**206 228**
Ship operating expenses	-119 356	-123 144
Charterhire expenses	-20 713	-31 979
General and administrative expenses	-22 944	-25 505
EBITDA	**33 513**	**25 600**
Impairment	-70 391	-62 510
Depreciation and amortization	-64 779	-77 586
Gain/(loss) on sale of assets	-10 172	3 661
EBIT	**-111 829**	**-110 835**
Net financial items	-24 486	-40 664
Profit/(loss) before taxes	**-136 315**	**-151 499**
Income tax expense	-1	-2 530
Net profit/(loss)	**-136 316**	**-154 029**

Freight income on T/C basis

Freight revenue was USD 401.2 million in 2012 compared to USD 426.0 million in 2011. Freight income on T/C basis was USD 194.6 million in 2012, down from USD 200.6 million in 2011. The average time-charter rate in 2012 was 10,275 per day, up from 9,516 per day in 2011.

Management fees and other income

Management fees and other income was USD 1.9 million in 2012 compared to USD 5.7 million in 2011, following the completion of the strategy of discontinuing as pool manager to improve the Company's operating performance in the first half of 2012.

Ship operating expenses

Ship operating expenses were USD 119.4 million in 2012, down from USD 123.1 million in 2011 following a reduction in the fleet.

Charterhire expenses

Charterhire expenses were USD 20.7 million in 2012, down from USD 32.0 million in 2011 following a reduction in the fleet.

General and administrative expenses

General and administrative expenses were USD 22.9 million in 2012, and down USD 2.6 million compared to previous year mainly due to a reduction in overhead costs.

EBITDA
For the reasons described above, EBITDA (earnings before interest, taxes, depreciation and amortization) ended at USD 33.5 million in 2012 compared to USD 25.6 million in 2011. The EBITDA margin was 17.2 per cent in 2012, compared to 12.8 per cent in 2011.

Impairment
The Company recognized an impairment of USD 70.4 million in 2012 compared to 62.5 million in 2011. The impairment is related to vessels in the Company's lease portfolio, and reflects the effect of updated assumptions of vessels in the lease portfolio including the contractual expiry of two vessels in 2013.

Depreciation and amortization
Depreciation and amortization amounted to USD 64.8 million in 2012, down from USD 77.6 million in 2011.

Gain/(loss) on sale of assets
Gain/(loss) on sale of assets in 2012 was USD 10.2 million following the sales of the Sichem Pearl (10,331 dwt, built 1994), the Ievoli Silver (5,400 dwt, built 1992) and the Torquato (5,400 dwt, built 1992). This compares to a gain on sale of assets of USD 3.7 million in 2011.

EBIT
For the reasons described above, the Operating result (EBIT) for 2012 was negative USD 111.8. This compares to a negative EBIT of USD 110.8 in 2011.

Net financial items
Net financial items were negative USD 24.5 million in 2012, compared to negative USD 40.7 in 2011. The net financial items included net interest expenses of USD 47.0 in 2012, compared to USD 43.7 in 2011. This also comprises a finance income of USD 30.4 million mainly related to two of the Company's time charter contracts accounted for as finance leases which expire in the first half of 2013 and where it is assumed that the purchase options on these vessels will not be exercised. The estimated lease obligations have been updated to reflect this assumption. Further, USD 2.2 million in net unrealized currency loss on the NOK denominated bond loan and JPY denominated purchase options included in the finance lease obligations have been recognized. Debt restructuring fees of USD 5.8 million have been expensed, and in 2012 the Company has capitalized USD 6.1 million in fees related to the debt restructuring process. This compares to Other financial items of 2.6 million in 2011.

Profit/(loss) before taxes
For the reasons described above, loss before taxes in 2012 was USD 136.3 million compared to USD 151.5 million in 2011.

Income tax expense
Income tax expense was USD 1 thousand in 2012 compared to an income tax expense of USD 2.6 million in 2011.

Net profit/(loss)
For the reasons described above, net loss in 2012 was USD 136.3 million compared to USD 154.0 million in 2011.

12.6 Financial position

12.6.1 As of 30 September 2014 compared to 31 December 2013

Total book value of the Group's vessels was USD 733.3 million at 30 September 2014, down from USD 765.3 million at 31 December 2013. The reduction was mainly related to depreciations for the period of USD 43.9 million, partly offset by additions of USD 12.5 million, mainly related to upgrading and docking of vessels. In the 3rd quarter of 2014, the Group agreed to sell the Sichem Casablanca (6,999 dwt, built 1993). The vessel was delivered to new owners in October 2014, and the vessel was classified as held for sale at the end of the 3rd quarter.

Total long-term debt was USD 942.6 million at 30 September 2014, up from USD 883.2 million at 31 December 2013. The increase is mainly due to accrual of interest margins, amortization of debt issuance costs and a drawdown of USD 14.0 million of the USD 20.0 million revolving credit facility to cover payment of dry dockings, general working capital requirements and deposits related to the exercise of the North Contender and North Fighter purchase options.

Total cash and cash equivalents amounted to USD 32.1 million at 30 September 2014, up from USD 30.6 million at 31 December 2013. A total of USD 14.0 million of the USD 20.0 million revolving credit facility was drawn as of 30 September 2014.

For the reasons described under section 12.5.2 "Nine months ended 30 September 2014 compared to the nine months ended 30 September 2013", total equity was down from negative USD 106.8 million as of 31 December 2013 to negative USD 181.3 million as of 30 September 2014. Eitzen Chemical was highly overleveraged with an equity ratio of negative 21.9 per cent as of 30 September 2014, compared to an equity ratio of negative 12.3 per cent as of 31 December 2013.

As announced on 23 December 2014, the Group is expected to recognize an estimated impairment of approximately USD 90 million in the 4th quarter of 2014. As a consequence the book value of the fleet will reflect estimated fair value, i.e. based on external quotes from independent ship brokers. As the loans converted to equity will constitute about 98.0 per cent of Eitzen Chemical's equity after the Debt Conversion, it is considered appropriate to utilize the same valuation technique as used in the Debt Conversion when performing the impairment test of Eitzen Chemical's vessels in the 4th quarter. Therefore, Eitzen Chemical is expected to recognize an estimated impairment in the 4th quarter of 2014 which will align the book value of the vessels to current broker valuations (refer to Appendix V for broker valuations at 20 January 2015).

12.6.2 As of 31 December 2013 compared to 31 December 2012

Total book value of the Group's vessels was USD 765.3 million at 31 December 2013, down from USD 858.6 million at 31 December 2012. The reduction was mainly related to depreciations for the period of USD 57.1 million, and the accounting impact from the termination of one time charter and the renegotiations of two time charter contracts, all classified as financial leases.

Total long-term debt was USD 883.2 million at 30 September 2013, up from USD 153.4 million at 31 December 2012. The increase is mainly due to 769.8 million of the Group's bank and bond debt being classified as short-term debt at 31 December 2012 in accordance with the presentation requirements under IFRS as the Group finalized a refinancing of its debt on 4 January 2013. The key terms in the debt restructuring included:

- Maturities for the existing bank debt were extended from July 2014 to May 2016.
- The grace period with no fixed debt instalments was be prolonged until April 2015 with flexible repayment terms from then to maturity.
- Cash interest payments were limited to LIBOR until 1 January 2015 and from then LIBOR plus 2.75%.

- Financial covenants were suspended or materially modified until maturity. New covenants included a minimum liquidity covenant of USD 30 million.
- The maturity for the bond loan was similarly extended with no interest payable in cash.
- About USD 50 million of the bond loan was secured with a third ranking lien in the Group's fleet, while the remaining part (about USD 60 million) was an unsecured loan.
- USD 30 million of the senior bank loan was moved to a pari passu position with the secured bond loan.
- The Group secured a working capital facility of USD 30 million. The facility was split into a term loan facility of USD 10 million and a revolving credit facility of USD 20 million.

Total cash and cash equivalents amounted to USD 30.6 million at 31 December 2013, down from USD 30.9 million at 31 December 2012. At 31 December 2013, USD 20.0 million of the available revolving credit facility was undrawn.

For the reasons described under section 12.5.3 "Year ended 31 December 2013 compared to year ended 31 December 2012", total equity was down from negative USD 32.1 million as of 31 December 2012 to negative USD 106.8 million of 31 December 2013. Eitzen Chemical was highly overleveraged with an equity ratio of negative 12.3 per cent as of 31 December 2013, compared to an equity ratio of negative 3.3 per cent as of 31 December 2012.

12.6.3 As of 31 December 2012 compared to 31 December 2011

Total book value of the Group's vessels was USD 858.6 million at 31 December 2012, down from USD 995.6 million at 31 December 2011. The reduction was mainly related to an impairment of USD 70.4 million recognized in the 4th quarter of 2012, in addition to depreciations for the period of USD 64.7 million.

Total long-term debt was USD 153.4 million at 31 December 2012, down from USD 948.3 million at 31 December 2011. The decrease is mainly due to 769.8 million of the Group's bank and bond debt being classified as short-term debt at 31 December 2012 in accordance with the presentation requirements under IFRS as the Group finalized the restructuring of its debt in January 2013.

Total cash and cash equivalents amounted to USD 30.9 million at 31 December 2012, down from USD 66.8 million at 31 December 2011. Refer to section 12.7.2 "Cash flows" for further information on the cash flows in the period.

For the reasons described under section 12.5.4 "Year ended 31 December 2012 compared to year ended 31 December 2011", total equity was down from positive USD 104.1 million as of 31 December 2011 to negative USD 32.1 million of 31 December 2012. Eitzen Chemical was highly overleveraged with an equity ratio of negative 3.3 per cent as of 31 December 2012, compared to an equity ratio of positive 9.1 per cent as of 31 December 2011.

12.7 Liquidity and capital resources

12.7.1 Overview

Eitzen Chemical was significantly overleveraged with a long-term debt, including obligations under finance leases, of USD 964.7 million and negative book equity value of USD 181.3 million as of 30 September 2014. The capital structure at that time was such that covering the total debt was associated with considerable uncertainty, even with a market recovery. Following the Debt Conversion and the New Financing, Eitzen Chemical strengthened the book equity by approximately USD 773 million and the balance sheet has been significantly deleveraged. Following the completion of the Debt Conversion and the New Financing of USD 100 million, Eitzen Chemical's liquidity situation is considered satisfactory.

The Group's principal sources of liquidity are cash flows from operations and financing activities. Financing for the Group has historically been provided through issuance of long-term debt, common shares and credit facilities. The Group has further received cash from the sale of certain non-core vessels.

The Group primarily uses cash for voyage expenses and to invest in its vessels, mainly relating to upgrading and dry docking.

The Company considers that future cash flows from operations and funds from the USD 100 million New Financing agreement are sufficient to support the liquidity needs described above. Refer to section 13.7.1 "Material Borrowings" for further details on the New Financing agreement. Depending on market conditions in the chemical tanker industry and acquisition opportunities that may arise, the Group may seek to obtain additional debt or equity financing.

Generally the market conditions for shipping activities are volatile and, as a consequence, the result may vary considerably from year to year. Market risks are related to freight rates, bunker prices and vessel prices, which the Group has no or limited possibilities to influence. In addition the Group is exposed to a number of different financial risks such as liquidity, interest rate, and currency risks arising from the Group's normal business activities. Such risks are monitored on a regular basis, and the Group might use financial derivatives to limit the exposure. Eitzen Chemical has currently only one bunker hedge contract, which was entered into on 30 October 2014. The contract is for a total volume of 3,500 tons and the contract is accounted for at fair value through profit and loss. The fair value of the contract was negative USD 0.3 million as of 31 December 2014.

The Group is not aware of significant obstacles or barriers to transfer funds to it from its subsidiaries that may affect its ability to meet or fulfill its financial or other obligations. The Group's funds are mainly held in USD bank accounts, in addition to funds in non-USD currencies, mainly NOK, DKK, EUR and SGD.

With its deleveraged balance sheet and its New Financing agreement the Company has sufficient liquidity to continue as a going concern. The Company also has sufficient liquidity to optimize its fleet, which may include divesting certain vessels and acquiring new vessels. The future funding needs of the Company will be determined based on the Company's growth strategy.

12.7.2 Cash flows

The table below summarizes Eitzen Chemical's historical cash flows, and is extracted from the Financial Statements, for each of the financial periods presented.

In USD thousand	**Nine months ended 30 September**		**Year ended 31 December**		
	2014 (unaudited)	**2013** (unaudited)	**2013** (audited)	**2012** (audited)	**2011** (audited)
Net cash flow from operating activities	19 819	24 762	39 537	36 211	16 822
Net cash flow from investing activities	-12 694	-8 386	-16 703	-8 760	-16 561
Net cash flow from financing activities	-6 331	-18 542	-23 341	-63 759	-4 191
Cash and cash equivalents at beginning of period	**30 615**	**30 926**	**30 926**	**66 826**	**72 121**
Cash and cash equivalents at end of period	**32 085**	**28 911**	**30 615**	**30 926**	**66 826**

Nine Months ended 30 September 2014 compared to the Nine Months Ended 30 September 2013

Eitzen Chemical had a net cash inflow from operating activities of USD 19.8 million in the nine-month period ended 30 September 2014, compared to a net cash inflow from operating activities of USD 24.8 million in the

nine-month period ended 30 September 2013, a decrease of USD 4.9 million. The decrease was mainly due to the reduction in the Freight income on T/C basis, partly offset by a decrease in net working capital balances.

Net cash outflow from investing activities in the nine-month period ended 30 September 2014 was USD 12.7 million, compared to net cash outflow of USD 8.4 million in the nine-month period ended 30 September 2013, an increase of USD 4.3 million. The outflow in the nine-month period ended 30 September 2014 was mainly attributable to USD 12.7 million in payments on vessels, mainly relating to upgrading and docking of vessels, compared to total payments on vessels of USD 10.8 million in the nine-month period ended 30 September 2013.

Net cash outflow from financing activities for the nine-month period ended 30 September 2014 was USD 6.3 million, compared to net cash outflow of USD 18.5 million for the nine-month period ended 30 September 2013, a decrease USD 12.2 million. This includes a reduction of USD 6.9 million in payment of other financial costs.

Year Ended 31 December 2013 Compared to the Year Ended 31 December 2012
Eitzen Chemical had a net cash inflow from operating activities of USD 39.5 million in the year ended 31 December 2013, compared to a net cash inflow from operating activities of USD 36.2 million in the year ended 31 December 2012, an increase of USD 3.3 million. The increase was mainly due to the increase in the Freight income on T/C basis, partly offset by an increase in net working capital balances.

Net cash outflow from investing activities for the financial year ended 31 December 2013 was USD 16.7 million, compared to net cash outflow of USD 8.8 million for the financial year ended 31 December 2012, an increase of USD 7.9 million. The 2013 outflow was mainly attributable to USD 19.1 million in payments on vessels, mainly relating to upgrading and docking of vessels, compared to total payments on vessels of USD 14.8 million in 2012.

Net cash outflow from financing activities for the financial year ended 31 December 2013 was USD 23.3 million, compared to net cash outflow of USD 63.8 million for the financial year ended 31 December 2012, a decrease USD 40.4 million. This includes a reduction of USD 29.6 million in interest paid.

Year Ended 30 December 2012 Compared to the Year Ended 31 December 2011
Eitzen Chemical had a net cash inflow from operating activities of USD 36.2 million in the year ended 31 December 2012, compared to a net cash inflow from operating activities of USD 16.9 million in the year ended 31 December 2011, an increase of USD 19.3 million. The increase was mainly due to a decrease in Eitzen Chemical's Ship operating expenses and Charterhire expenses, and a decrease in the net working capital balances.

Net cash outflow from investing activities for the financial year ended 31 December 2012 was USD 8.8 million, compared to net cash outflow of USD 16.6 million for the financial year ended 31 December 2011, a decrease of USD 7.9 million. The 2012 outflow was mainly attributable to USD 14.8 million in payments on vessels, mainly relating to upgrading and docking of vessels, compared to total payments on vessels of USD 19.9 million in 2011.

Net cash outflow from financing activities for the financial year ended 31 December 2012 was USD 63.8 million, compared to net cash outflow of USD 4.2 million for the financial year ended 31 December 2011, a decrease USD 59.6 million. The financial year ended 31 December 2011 included net proceeds from share issue of USD 52.9 million

Changes in liquidity position following 30 September 2014
Following 30 September 2014, there have been the following changes in the Group's liquidity position:

- USD 65 million in loan proceeds under the New Financing agreement, as described in section 13.7.1 "Material Borrowings"; and

- the prepayment of USD 46 million certain of the bank and bond debt, as described in section 7.2 "Plan support agreement".

Other than the changes discussed above, there have been no material changes to the Group's liquidity position following 30 September 2014.

12.8 Borrowings and contractual obligations

12.8.1 Material borrowings

As part of the Refinancing, approximately USD 773 million of Eitzen Chemical's debt was converted into equity in Eitzen Chemical (the Debt Conversion) on 27 January 2015. The share issue in connection with the Debt Conversion was directed at the Supporting Creditors and following the Debt Conversion, the existing shareholders of Eitzen Chemical was diluted down to about 2%, which implies a new market value of above NOK 3,000 million for the ECHEM shares. The total number of shares issued in connection with the Debt Conversion was 552,236,076. The valuation of the current debt and the exchange ratio was based on a valuation of underlying assets and an agreement between the senior lenders and significant shareholder. The new shares were issued at a subscription price of minimum NOK 3 and maximum NOK 9.5 per share, following a share reduction where par value was written down from NOK 75 per share to NOK 1 per share.

Following the Debt Conversion as described above, and the New Financing (as further described below), Eitzen Chemical strengthened the book equity and liquidity position by approximately USD 773 million and the balance sheet was significantly strengthened. After the completion of the Debt Conversion Eitzen Chemical's equity capital situation is considered to be satisfactory.

Eitzen Chemical has entered into a financing agreement with Skandinaviska Enskilda Banken AB and NIBC Bank N.V. regarding a new credit facility in an aggregate principal amount of USD 100,000,000 (the "**Total Commitments**") split into:

- USD 33,300,000 Revolving Credit Facility (the "**RCF**"), and

- USD 66,700,000 Term Loan Facility (the "**Term Loan**", and together with the RCF the "**Facilities**").

The final maturity date for the Facilities shall be the date falling five (5) years from the completion date of the Refinancing, 27 January 2015 (the "**Closing Date**"). The Facilities shall have first priority.

Subject to approval of a new lender by the majority lenders, which approval is not to be unreasonably withheld or delayed, the Total Commitments may be increased by an aggregate maximum amount of up to USD 50,000,000 made available by a new lender and the increased amount shall be split on a pro rata basis between the Facilities as follows:

- USD 16,700,000 to be allocated to the RCF, and

- USD 33,300,000 to be allocated to the Term Loan.

The increase option must be exercised and completed by no later than 29 June 2016.

The RCF will incur an interest rate of LIBOR + 3.00 per cent per annum for the 1st, 2nd and 3rd year, 3.25 per cent per annum for the 4th year and 3.50 per cent per annum for the 5th year from the Closing Date. The RCF is available from the Closing Date to 70 days before final maturity. The loans made pursuant to the RCF shall be used by the Company for general corporate purposes.

The Term Loan will incur an interest rate of LIBOR + 3.00 per cent per annum for the 1st, 2nd and 3rd year, 3.25 per cent per annum for the 4th year and 3.50 per cent per annum for the 5th year from the Closing Date. The Term Loan will be drawn within 30 days from the Closing Date in one or a maximum of five amounts. The loans made pursuant to the Term Loan shall be used by the Company for general corporate purposes, including but not limited to costs and fees associated with the balance sheet restructuring and repayment of existing debt.

The Company may, subject to such debt being made subject to an intercreditor agreement in form and substance satisfactory to the Lenders, raise new and additional debt financing on second priority basis using the collateral vessels as security.

Eitzen Chemical will incur an up-front fee of 1.50 per cent of the Facility Amount payable on Closing Date. Further, Eitzen Chemical will incur a commitment fee of 40 per cent per annum of the margins of the Facilities calculated on the unused and uncancelled commitment of the Facilities during the period for which each Facility is available.

In terms of security, usual and customary for a transaction for this type, including but not limited to:

a) First priority Mortgages over each of the Collateral Vessels
b) Assignment of Earnings under the charterers
c) Assignment of insurances, proceeds accounts
d) Assignment of earnings account
e) Assignment of Charterparties exceeding 24 months
f) Share pledge agreements
g) Any assignment of intra-group loans (to the extent applicable)
h) Commercial manager undertakings

Financial covenants under the Facility are expected to be;

Minimum Liquidity: The higher of (a) USD 40,000,000 and (b) the product of USD 750,000 multiplied with the sum of: (i) the number of vessels owned by any member of the Group (including the Collateral Vessels); and (ii) the number of vessels chartered in by any member of the Group under a charterparty that has or had an initial charter tenor in excess of six (6) months, of which USD 20,000,000 shall be cash or cash equivalents (required to be achieved on at least one day in each calendar week).

- **Minimum Equity Ratio:** 40% (adjusted for shipbroker valuations of the fleet).

- **EBITDAR/Fixed Charges Ratio:** If the long-term charter-in exposure exceeds a nominal amount of;
  a. from Closing Date up until 31 December 2015, USD 175,000,000;
  b. from 1 January 2016 up until 29 June 2016, USD 150,000,000; and
  c. from 30 June 2016 until Final Maturity Date, USD 110,000,000,

  (measured each quarter end based on commitments between 12 months from any applicable reporting date to charter expiry date),

  EBITDAR/Fixed Charges Ratio shall be at least 1.0x (based on twelve months consolidated accounts). If the long-term charter-in exposure does not exceed the limit set out above, the EBITDAR/Fixed Charges Ratio covenant shall not be tested nor be effective.

- **Positive Working Capital:** The Borrowers combined shall at any time maintain a positive Working Capital, which shall be defined as current assets (plus any undrawn amounts under any working capital facilities not falling due in the next 6 months) less current liabilities (including scheduled principal

repayments falling due in the next 6 months, but excluding balloon payment and purchase options and obligations related to leased vessels).

Collateral Maintenance Test: The maximum loan to value to be less than forty per cent (40%). Such test shall be calculated based on the Total Commitments vs. the market value of the collateral vessels (including any amount on a proceeds account), as determined by calculating the average of valuations from two independent shipbrokers. Such test to be carried out on a quarterly basis.

The table below sets out the maturity profile and estimated interest payments for the New Financing Agreement for each financial year until maturity:

In USD million	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Repayment	-	3.0	6.7	14.7	14.7	60.9
Estimated interest	2.5	3.3	3.2	3.1	2.7	0.6

Note: Assuming the facility is fully utilized and the LIBOR is 0.26% on average for the term of the loan.

The Company expects its future cash flows from operations to be sufficient to cover the financial commitments under the Financing Agreement. Further, the market value of the collateral vessels, as determined by calculating the average of valuations from two independent shipbrokers, refer to Appendix V, is USD 487.5 million which significantly exceed the financial commitments under the New Financing agreement. The company could therefore dispose vessels if needed in order to meet its financial obligations.

The New Financing agreement includes restrictions on the payments of dividend, and the Company may only pay dividend after the additional funding has been completed, with a maximum payment of 50 per cent of net income; plus an amount equal to all cash contributions made by the Company after Closing Date; less the amount of all distributions that have been made after the Closing Date subject to compliance after dividend is paid.

12.8.2 Other Borrowings

The Group does not have any other material borrowings as of the date of this Document.

12.9 Investments

12.9.1 Principal investments

The table below sets out Eitzen Chemical's principal investments in the period from 1 January 2011 to 30 September 2014. All investments in the period is mainly relating to upgrading and dry docking. In the period from 30 September 2014 to the date of this Document, Eitzen Chemical has invested approximately USD 2.9 million relating to upgrading and dry docking of vessels.

In USD thousand	**Nine months ended 30 September**	**Year ended 31 December**		
	2014 (unaudited)	**2013** (audited)	**2012** (audited)	**2011** (audited)
Payments on vessels (mainly upgrading and dry docking)	-12 700	-19 123	-14 806	-19 871
Total investments	**-12 700**	**-19 123**	**-14 806**	**-19 871**

The investments relating to upgrading and dry docking is expected to increase slightly in the years to come, following new requirements, including inter alia installation of on-board ballast water treatment systems. The cost related to installation of ballast water treatment systems is expected to be below USD 1 million per vessel, and all upgrades are expected to be finalized by the end of 2019.

There still is uncertainty regarding the ratification of the International Convention for the Control and Management of Ships' Ballast Water and Sediments (the "Ballast Water Convention"), as the Ballast Water

Convention will enter into force 12 months after ratification by 30 States, representing 35% of world merchant shipping tonnage. As of 6 January 2015, 43 states representing 32.54% of world merchant shipping tonnage had ratified the Ballast Water Convention. The US applies its own regulations to ballast water. These impose stringent requirements on, and the necessity to obtain permits with respect to, the discharge of ballast water. The legislation also mandates that vessels constructed after 1 December 2013 must on delivery have an approved ballast water management systems installed and that vessels constructed before that date must install such a system at its first scheduled dry docking after 1 January 2016.

12.9.2 Future commitments for investments

As of the date of this Document, Eitzen Chemical has no significant future investment commitments.

12.10 Off-balance sheet commitments

As of the date of this Document, Eitzen Chemical has no significant off-balance sheet commitments, other than the commitments under the lease agreements classified as operating leases, as described in section 9.2.2 "Leased vessels".

12.11 Significant changes

Following the completion of the Exchange Offer, the business of Eitzen Chemical will be accounted for as a continuation of the existing Eitzen Chemical Group and the pooling of interest method will be applied. The transaction will not be accounted for as a business combination and does not result in any change of economic substance. Other than the Debt Conversion and the Refinancing, there have been no significant changes in the financial or trading position of the Group since the date of the Interim Financial Statements of Eitzen Chemical.

As announced on 23 December 2014, the Group is expected to recognize an estimated impairment of approximately USD 90 million in the 4th quarter of 2014. As a consequence the book value of the fleet will reflect estimated fair value, i.e. based on external quotes from independent ship brokers. As the loans converted to equity will constitute about 98.0 per cent of Eitzen Chemical's equity after the debt conversion, it is considered appropriate to utilize the same valuation technique as used in the debt conversion when performing the impairment test of Eitzen Chemical's vessels in the 4th quarter. Therefore, Eitzen Chemical is expected to recognize an estimated impairment in the 4th quarter of 2014 which will align the book value of the vessels to current broker valuations (refer to Appendix V for broker valuations at 20 January 2015).

13 DIVIDENDS AND DIVIDEND POLICY

This Section provides information on the dividend policy of the Team Tanker Group and certain legal constraints on the distribution of dividends under Bermuda law. For a discussion of certain financial covenants under TTI's borrowing arrangements, see Section 12.8.1 "Material Borrowings".

This section contains forward-looking statements based on current expectations and assumptions about the future business of the Team Tanker Group. The actual results of the Team Tanker Group may differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and in Section 2 "Risk Factors" and Section 4.4 "Cautionary notice regarding forward looking statements".

13.1 Dividend Policy

Although the Company has not paid any dividends since its incorporation, and does not expect to pay dividends in a short-term perspective, the goal of Company is to provide an attractive long-term return in order to make the Company an interesting investment. Shareholders' return consists of payment of dividend and share price appreciation. The Company aims to pay a stable and preferably rising dividend over time, provided always that the Group's results and future investment requirements are duly taken into account.

13.2 Legal constraints on the distribution of dividends

A Bermuda company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the company's assets would thereby be less than its liabilities or in circumstances that would result in an unlawful reduction of share capital or share premium. "Contributed surplus" is defined for purposes of section 54 of the Bermuda Companies Act to include the proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the Company. Under the Bye-laws, the Board of Directors may declare dividends and distributions without the approval of the shareholders in general meetings.

Further, the Company's subsidiaries may be subject to applicable legal constraints on the distribution of dividends in the jurisdiction in which they are incorporated, such as sufficiency of distributable reserves.

The New Financing agreement includes restrictions on the payments of dividend, and the Company may only pay dividend after the additional funding has been completed, with a maximum payment of 50 per cent of net income; plus an amount equal to all cash contributions made by the Company after Closing Date; less the amount of all distributions that have been made after the Closing Date subject to compliance after dividend is paid.

13.3 Manner of dividend payments

Although any future payments of dividends on the Shares will be denominated in USD, such dividends will be distributed through the VPS in NOK. Any dividend will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will however receive dividends by cheque in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of Nordea, being the Company's VPS registrar, to issue a cheque in a local currency, a cheque will be issued in USD. The issuing and mailing of

cheques will be executed in accordance with the standard procedures of Nordea. The exchange rate(s) that is applied will be Nordea's rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts, or in lieu of such registered NOK account, by cheque, without the need for shareholders to present documentation proving their ownership of the Shares.

14 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

14.1 Board of directors

14.1.1 Overview of the Board of Directors

The Board of Directors is responsible for the overall management of the Company and may exercise all of the powers of the Company not reserved to the Company's shareholders by its Bye-laws or Bermuda law. The Bye-laws provide that the Company's Board of Directors shall consist of not less than 3 Directors and not more than 7 Directors as the Board of Directors may determine or such other minimum and maximum numbers as the shareholders of the Company may from time to time determine. The Directors are elected by the shareholders at the annual general meeting or any special general meeting called for that purpose, unless there is a casual vacancy, and the shareholders of the Company may authorise the Board of Directors to fill any vacancy in their number left unfilled at a general meeting of the shareholders. If there is a vacancy of the Board of Directors occurring as a result of the death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board of Directors, the shareholders of the Company or the Board of Directors has the power to appoint a Director to fill the vacancy.

As at the date of this Document, the Company has a Board of Directors composed of two Directors, Mr. Aage Figenschou and Mr. John O'Kelly-Lynch. The Company's shareholder, Eitzen Chemical, will in agreement with its largest shareholders following the Debt Conversion (i.e. the Supportive Creditors) appoint a new board of directors of the Company (the "New Board of Directors"). The New Board of Directors will be appointed between the date of this Document and the date of Listing. As of first day of Listing, the New Board of Directors will be composed of Jesper Bo Hansen, Robert P. Burke, Mads Meldgaard, Gavin Kagan, Tom Higbie and Danielle Leone. The New Board of Directors will thus consist of six Directors. Four of the Directors will be elected for a term which will expire at the annual general meeting in 2015, and two Directors will be elected for a term which will expire at the annual general meeting in 2016. The board members shall not be removed during these initial terms unless approved by ¾ of the votes at the general meeting. Any vacancy on the New Board of Directors during such initial term may be filled by a successor appointed by the relevant Director whose office is vacant. A vacancy caused by a director becoming of unsound mind or dies may be filled by the remaining New Board of Directors.

The Company's Bye-laws provide that the Board may consist of up to seven directors, and it is thus possible that the Company's Board of Directors will be expanded up to seven directors following completion of the Exchange Offer and the date of Listing.

The Company's registered office address at Williams House, 4th Floor, 20 Reid Street, Hamilton, HM 11, Bermuda, serves as the business address for the members of the Board of Directors in relation to their directorships of the Company.

14.1.2 The current Board of Directors

The names and positions, current term of office and current shareholding in Eitzen Chemical of the current Directors as at the date of this Document are set out in the table below.

Name	Position	Director Since	Expiration of Term of office	Shares owned	Options
Aage Figenschou	Board member	4 August 2014	Expected to be replaced from the date the New Board of Directors is appointed	-	-
John O'Kelly-Lynch	Board member	20 January 2015	Expected to be replaced from the date the New Board of Directors is appointed	-	-

Aage Figenschou, Board member

Mr. Figenschou is an independent businessman with a lifelong career in the shipping & oil services industries. From 1984 to 1995 he was the managing director of Naess, Jahre & Partners and since then he has worked as a consultant/management for hire and board member in various private and listed companies, among them Jason Shipping AS (formerly Camillo Eitzen & Co ASA). Mr. Figenschou holds a law degree from University of Oslo (1974), Major in Corporate law. He is a Norwegian citizen and resides in Oslo, Norway.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Figenschou.

Current	Previous five years
• *Eitzen Chemical ASA (Chairman of the Board)*	• *Pareefer KS*
• *Jason Shipping AS (Chairman of the Board)*	• *AksjeNorge*
• *Pareto World Wide Shipping AS (Chairman of the Board)*	• *Aksjonærforeningen*
• *Oslo Marine Advisors AS (Chairman of the Board)*	• *Civita AS*
• *Pareto Maritime Secondary Opportunity Fund AS (Chairman of the Board)*	• *B. Skaugen Shipping AS*
• *Pareto Maritime Secondary Opportunity Fund II AS (Chairman of the Board)*	• *B. Skaugen Holding AS*
• *Aage Figenschou AS (Chairman of the Board)*	• *Partankers AS*
• *Lange Riggpart AS (Chairman of the Board)*	• *Partankers III AS*
• *Sigloo Gas KS (Chairman of the Board)*	• *Partankers V AS*
• *Karto AS (Chairman of the Board)*	• *Sagex Petroleum ASA*
• *Skåbu Invest AS (Chairman of the Board)*	• *Saga Oil ASA*
• *Pmsof Tt1 AS (Chairman of the Board)*	• *Brøvigtank AS*
• *Pmsof Tt2 AS (Chairman of the Board)*	• *Pareto Shipping Invest II KS*
• *Pmsof II Tt AS (Chairman of the Board)*	• *Pareto Shipping Invest III KS*
• *Ubt AS (Chairman of the Board)*	• *Astrup Fearnley AS*
• *Parchem AS (Chairman of the Board)*	• *Frigstad Offshore ltd.*
• *Brøvig Stainless AS (Board member)*	• *Brøvig Offshore ASA*
• *Berthea AS (Board member)*	• *Crystal Production AS*
	• *B. Skaugen Reefer Inc.*
	• *Troms Gemini AS*
	• *Troms Gemini II AS*
	• *B. Skaugen AS*

• *Løvenskioldbanen Skytesenter AS (Board member)* • *River Cruise 1 KS (Board member)* • *Singapore Tankers AS (Board member)* • *Master And Commander AS (Board member)* • *Parbulk II AS (Board member)* • *Trigcom AS (Board member)* • *Sintercast AB (Board member)* • *Stiftelsen Liberalt Forsknings Institutt (LIFO) (Chairman of the Board)*	• *Unison Forsikring ASA (Board member)* • *Partankers II AS (Board member)* • *Parman MPP KS (Board member)* • *Troms Offshore* • *Simmons & Company International Inc* • *Micro Power Global BV* • *Pareefers II KS (Board member)* • *A/S Bergen Drillpart (Board member)* • *Deep Sea Bergen Invest AS (Chairman of the Board)* • *Deep Sea Drilling Company AS/KS (Board member)* • *Deep Sea Drilling Company II AS/KS (Board member)* • *Bergen Bunkers AS (Board member)* • *Ocean Container Ships AS (Board member)* • *Ocean Container Ships II AS (Board member)* • *Pareto Maritime Opportunities AS (Board member)* • *Brøvig UBT AS (Board member)* • *TDS Containerships I KS (Board member)* • *Østerås Kjøpesenter ANS (Chairman of the Board)* • *Østerås Kjøpesenter AS (Board member)* • *Trondheimsveien Næring 139 AS (Board member)* • *Furuset Kjøpesenter Holding AS (Board member)* • *Jason Shipping AS (Chief Executive Officer)*

John O'Kelly-Lynch, Board Member

Mr. O'Kelly-Lynch trained and qualified with Deloitte & Touche in Ireland before moving to Bermuda in 1982 to work for KPMG. In 1984, he joined the Naess Group, a private international shipping and venture capital investment company and was subsequently appointed Chief Financial Officer. In 1990, he formed his own financial and business management company, Atlantic Corporate Management Limited (ACM), specializing in international shipping and energy. In 1997, ACM formed Delphi Management Limited, a private equity and alternative investment administration company.

O'Kelly-Lynch is a board member of private equity, hedge funds and private client investment vehicles in addition to various shipping entities. A Fellow of the Institute of Chartered Accountants in Ireland, he is also a former board member of the Association of International Companies in Bermuda, and past chairman of the Bermuda International Shipping Association.

O'Kelly-Lynch is an Irish citizen and a Permanent Resident of Bermuda.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. O'Kelly-Lynch.

Current	**Previous five years**
• *Atlantic Corporate Management Ltd. (Board member)* • *UFG Private Equity Fund 1, LP (Board member)* • *Blue Wings Limited (Board member)* • *Delphi Management Limited (Board member)*	• *EMS Shipmanagement (Bermuda) Pvt. Ltd (Board member)* • *United Marine Insurance Limited (Board member)* • *UFG Russia Alternative Fund LP (Board member)*

- *Dephi Investment Advisors Limited (Board member)*
- *Ellipse Energy Limited (Board member)*
- *Oracle Asian Fund Ltd. (Board member)*
- *Global Shipping Ventures Limited (Board member)*
- *Northern F.D.&D. Company Ltd (Board member)*
- *Naess Shipping Company Limited (Board member)*
- *Oracle Opportunities Limited (Board member)*
- *Oracle Global Fund, Inc. (Board member)*
- *Paulinian Enterprises Limited (Board member)*
- *Sertica Investment Corporation (Board member)*
- *Solstice Holdings Bermuda Limited (Board member)*
- *SW S.A. (Director)*
- *Kar-Tainer International Limited (Board member)*
- *CTS Navigation & Trading Ltd. (Board member)*
- *Unilife Corporation (Board member)*
- *VSLX Holdings Limited (Board member)*
- *Solstice Energy Limited (Board member)*
- *InterPetroleum Services Limited (Board member)*
- *Exeter Maritime Limited (Board member)*
- *Magellen Marine Limited (Board member)*
- *Hibernian Helicopters Limited (Board member)*
- *UFG Private Equity Fund II, LP (Board member)*
- *UFG Real Estate Fund I, L.P. (Board member)*
- *UFG Real Estate Fund II, L.P. (Board member)*
- *UFG Private Equity Fund III, LP (Board member)*
- *Russian Commercial Properties Partners L.P. (Board member)*
- *Russian Commercial Properties Partners II L.P. (Board member)*
- *REMFI Fund Limited (Board member)*
- *TORXX Kinetic Pulverizer Limited (Board member)*
- *Almaz Capital Fund I, L.P. (Board member)*
- *Calcitech Group (Board member)*
- *Runa Capital Fund II (Board member)*
- *Barrons Financial Services Ltd (Board member)*
- *UFG Russia Alternative Fund Ltd (Board member)*
- *UFG Russia Select Fund Ltd.*
- *UFG Russia Select LP*
- *UFG Russia Debt Fund Limited*
- *GSD Management Ltd (Director)*
- *Suminova Shipping Ltd*
- *Sanary Ltd*
- *Xenos S.A.*

14.1.3 The New Board of Directors

The names and positions, expected term of office and shareholding in the Company of the New Board of Directors as at the date of this Document are set out in the table below. The Chairman of the New Board of Directors will be appointed prior to Listing.

Name	**Position**	**Expiration of Term of office**	**Shares owned**	**Options**
Jesper Bo Hansen	Board Member	General meeting 2015	-	-
Robert P. Burke	Board Member	General meeting 2015	-	-

Mads Meldgaard	Board Member	General meeting 2015	-	-
Gavin Kagen	Board Member	General meeting 2015	-	-
Tom Higbie	Board Member	General meeting 2016	-	-
Danielle Leone	Board Member	General meeting 2016	-	-

Set out below are brief biographies of the members of the New Board of Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the New Board of Directors is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and management positions in subsidiaries of the Company).

Jesper Bo Hansen, Board Member
Jesper Bo Hansen is an experienced executive with more than 23 years in the Transportation/Energy/Maritime Industry of which 10 years were based in Europe (Denmark and Germany), six years In Asia (Hong Kong/China) and seven years in the US. He has strong experience in General Management, Strategic Planning, Investment, Business Integration and Business-to-Business sales and projects.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Hansen.

Current	**Previous five years**
• *Cerberus Operations and Advisory Company (Vice Chairman Maritime)*	• *Star Tankers (Heidmar Inc.) (Managing Director)* • *TORM A/S (Regional Managing Director Americas)* • *TORM USA (President)*

Robert P. Burke, Board Member
Mr. Burke has a 35-year career in the maritime industry spanning ship operations, finance and ownership. He currently serves as CEO of Ridgebury Tankers, a portfolio company of Riverstone Holdings.

Mr. Burke graduated from the US Merchant Marine Academy, Kings Point NY 1981, serving as a ship's officer for three years on tankers. He has further an MBA from Columbia University in NYC. For seven years he was Managing Director at GE Capital in Ship Finance Group. He was also Foundering partner of Great Circle Capital, a USD200MM private equity fund in shipping and infrastructure. Further he has been CEO/partner/board member of Chembulk Tankers, and board member of numerous private companies and charities, as well as a member of the board of directors and audit committee of the NASDAQ listed shipping company TrailerBridge.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Burke.

Current	Previous five years
• *Ridgebury Tankers (CEO)*	• *Union Dry Dock & Repair (CEO)* • *Seamens Church Institute* • *Ridgebury Congregational Church* • *Trailer Bridge Inc (Board member)*

Mads Meldgaard, Board Member
Mr. Meldgaard has over 25 years of experience in the Tanker Shipping Industry. From 2011-2013 he was CEO of Herning Shipping AS, Denmark, which is one of the largest chemical shipping companies in Europe. In the period 1998-2006 he served as a member of the senior executive management team of Teekay Shipping. Teekay Shipping is the owner and operator of the largest fleet of medium sized tankers worldwide.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Meldgaard.

Current	Previous five years
• *None*	• *Herning Shipping AS (CEO)* • *Nordic Tankers*

Gavin Kagen, Board Member
Mr. Kagan is a Managing Director in Houlihan Lokey's New York office. He has approximately 15 years of investment banking experience, including corporate restructurings, M&A, and the issuance of both public and private debt and equity securities. Before re-joining Houlihan Lokey, Mr. Kagan worked for UBS Securities LLC in New York in the Leveraged Finance and Restructuring groups. Earlier, he was an associate with Houlihan Lokey's Financial Restructuring Group.

Mr. Kagan earned a B.B.S. in finance, with honors, from the University of Cape Town and an MBA from the University of Southern California's Marshall School of Business. He is also a CFA Charterholder and a member of both the Association for Investment Management and Research and the New York Society of Financial Analysts.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Kagan.

Current	Previous five years
• *Houlihan Lokey (Managing director)*	• *None*

Tom Higbie, Board Member
Tom Higbie is a Managing Director at Solus Alternative Asset Management LP. He joined the firm in 2012 and is currently responsible for public and private investments in the transportation sector. Prior to joining Solus Mr. Higbie was a Vice President at Deutsche Bank where he worked from 2006-2012. Mr. Higbie is a CFA® charterholder and earned a BBA from the Ross Michigan School of Business.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Higbie.

Current	Previous five years
• *Nautical Bulk Holding Limited (Board member)*	• *None*

Danielle Leone, Board Member

Danielle Leone is currently an investment analyst within the distressed debt group at Angelo, Gordon & Co. She joined Angelo, Gordon in 2002. Previously, she has held investment analyst positions at Merrill Lynch, Bear Stearns and PaineWebber. She holds a B.A. degree from Stanford University and an M.B.A. degree from Stern School of Business at New York University.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Ms. Leone.

Current	Previous five years
• *Excel Maritime Holding Company LLC (Board of Managers, Director)*	• *None*

14.1.4 Independence of the New Board of Directors

Tom Higbie will be appointed as a representative of Solus Alternative Asset Management LP, a shareholder in Eitzen Chemical holding 21.1% of the issued share capital, and will accordingly not be independent from one of the larger shareholders of the Company following the Exchange Offer. The same applies with respect to Danielle Leone, who will be appointed by Angelo Gordon & Company, a shareholder holding approximately 24.5% of the issued share capital in Eitzen Chemical. The remaining board members are independent from larger shareholders of the Company. All the directors of the New Board are deemed independent from management and material business contacts.

14.1.5 Remuneration and benefits

The compensation for the members of the Board of Directors for their service as directors is determined on an annual basis by the shareholders of the Company at the annual general meeting. As the Company is newly established, no remuneration has been paid out to the current Directors of the Company. The remuneration to the New Board of Directors will be determined on the Company's annual general meeting. The members of the Board have no termination benefits.

As regards Eitzen Chemical, the Chairman of the Board currently receives an annual remuneration of NOK 450,000 and the other board members receive an annual remuneration of NOK 300,000.

The table below sets out the compensation for each of the members of the Board of Directors of Eitzen Chemical for the financial year ended 31 December 2013:

Name	Remuneration (NOK)	Share based payments	Pension costs
Aage R. B. Figenschou[1)]	450,000	-	-
Helene Jebsen Anker	350,000	-	-
Heidi Marie Petersen	330,000	-	-
Thor J. Guttormsen[2)]	154,000	-	-
Erik Bartnes[2)]	154,000	-	-
Carl Erik Steen[3)]	146,000	-	-

[1)]In addition to the Board of Directors remuneration, Aage Figenschou is engaged by Eitzen Chemical as a consultant, see Section 9.12 "Related party transactions" for more information.

2) Appointed from 25 June 2013

3) Resigned from the Board of Directors of Eitzen Chemical 25 June 2013

14.1.6 Board Committees

Audit committee: The entire New Board of Directors will constitute the Audit Committee, and this has been reflected in the Company's Bye-laws which will be effective from the first day of Listing. Guidelines for the audit committee have been prepared and will be adopted by the Board in connection with the appointment of the New Board of Directors and the constitution of the Audit Committee. Mr. Robert Burke holds an MBA from Columbia Business School and is deemed independent from the business of the Company. The committee will prepare matters for the Board's consideration within the committee's specialized area and supervise the work of the Company's management on behalf of the Board.

Nomination committee: The Company's Bye-laws provide for a Nomination Committee elected by the General Meeting. The Nomination Committee's primary duties are to propose candidates for election to the Board and to propose the fees to be paid to the members of the Board.

As of the date of this Document, the Company does not have a nomination committee. However, it is contemplated that the Company's shareholders following the Listing shall appoint a nomination committee.

14.2 Management

14.2.1 Management Agreement

The Company will purchase certain management services from Eitzen Chemical and its subsidiaries. Eitzen Chemical will provide the Company with, amongst other, financial, reporting, treasury, investor relations and legal management services. On behalf of the Company, Eitzen Chemical will, as manager, carry out the functions and duties for the Company towards the Oslo Stock Exchange as set out in the listing rules for equities on Oslo Stock Exchange section 2.3.8.

Commercial and operational management services will be outsourced to the management companies in Denmark, Singapore, Spain and USA.

The Chairman of the Company's Board of Directors may hold the position as managing director of Team Tankers Ltd. Further, the Board of Directors in the Company's ship owning subsidiaries in Bermuda will appoint

a separate management in these companies, who will carry out corporate functions including approving and monitoring the services provided by the management companies.
The services provided by the Group companies will be priced at arms-length in accordance with the OECD guidelines.

14.2.2 Executive Management

Eitzen Chemical's Executive Management team consists of the Chief Executive Officer, a Chief Financial Officer, a Vice President Chartering, a Senior Vice President Finance and Accounting, a Vice President Operations, a Vice President Business Development and a Vice President Technical, who will provide services to the Company within the scope defined in the management service agreements.

The names of the members of the Executive Management as at the date of this Document and their shareholding in Eitzen Chemical are presented in the table below.

Name	Position	Position Since	Shares owned	Options
Jens Grønning	Chief Executive Officer*	2013	-	-
Andreas Reklev	Chief Financial Officer**	2012	19	-
Thomas Voss	Vice President Chartering	2013	-	-
Martin D. Solberg	S.V.P. Finance & Accounting	2011	-	-
Per Tyrsted Jørgensen	Vice President Operations	2014	570	-
Michael Obling	Vice President Business Development	2014	-	-
Svend Anthonsen	Vice President Technical	2014	-	-

*After the completion of the Exchange Offer Jens Grønning will be the CEO of Eitzen Chemical (Denmark) A/S

**After the completion of the Exchange Offer Andreas Reklev will be the CEO of Eitzen Chemical.

The Company's registered office address at Williams House, 4th Floor, 20 Reid Street, Hamilton, HM 11, Bermuda, refer to table in section 7.1 for the business addresses for the executive management.

Set out below are brief biographies of the members of the Executive Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Executive Management is or has been a member of the administrative, management or supervisory bodies or a partner in during the previous five years (not including directorships and management positions in subsidiaries of the Company).

Jens Grønning, Chief Executive Officer
Mr. Grønning joined Eitzen Chemical ASA in November, 2013. In October, 2013, Mr. Grønning was appointed Senior Advisor to the Board of the London head quartered fund management company, Tufton Oceanic Limited, a role he will continue to have alongside his position in in Team Tankers. Previously, Mr. Grønning was CEO of United Arab Chemical Carriers ("UACC") for 5 years which is a Dubai, U.A.E. based ship owning company involved with MR and LR1 product and chemical tankers. Prior to that, he was with the Eitzen Group for 7 years, involved with different ship owning segments of the Group, it's ship management company in Singapore, and ultimately as Chief Operating Officer of Eitzen Chemical ASA. Mr. Grønning has worked his entire career in the shipping industry, in Knud I. Larsen (later "KIL SHIPPING"), Eitzen Group, UACC and back to Eitzen Chemical ASA. He was educated at the Copenhagen Business School ("CBS"), has been on a term business program in IMD in Lausanne (as a compulsory start to their Executive MBA program) and was previously

employed and later in the reserves of the Royal Danish Airforce. Mr. Grønning is a Danish citizen and resides in Copenhagen, Denmark.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Grønning.

Current	Previous five years
• Eitzen Chemical ASA *(Chief Executive Officer)* • Tufton Oceanic Ltd. *(Advisor to the Board of Directors)*	• United Arab Chemical Carriers Ltd. *(Chief Executive Officer)* • Consensus Tankers Inc. *(Board member)* • Harmony Tankers Inc. *(Board member)* • Atheer Tankers Inc. *(Board member)* • Sina Tankers Inc. *(Board member)* • Haitham Tankers Inc. *(Board member)* • Masafi Tankers Inc. *(Board member)* • Messila Tankers Inc. *(Board member)* • Mansouria Tankers Inc. *(Board member)* • Marah Tankers Inc. *(Board member)* • UACC Inc. *(Board member)* • Sila Tankers Inc. *(Board member)*

Andreas Reklev, Chief Financial Officer

Mr. Reklev was appointed CFO in Eitzen Chemical ASA on February 1 2012 after serving as CFO in Camillo Eitzen & Co ASA and Eitzen Maritime Services ASA since July 2011. Mr. Reklev has been with the Eitzen Group since 2006 and during this time he has gained extensive diversified experience with focus on financing, mergers/acquisitions, treasury, and financial/corporate restructuring. He holds a B.Sc. in Finance from the Norwegian Business School (Handelshøyskolen BI). Mr. Reklev is a Norwegian citizen and resides in Oslo, Norway.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Reklev.

Current	Previous five years
• Eitzen Chemical ASA *(Chief Financial Officer)* • Sigloo Gas KS *(Board member)*	• Eitzen Maritime Services ASA *(Chief Financial Officer)* • Camillo Eitzen & Co ASA *(Chief Financial Officer)* • EMS Crew Management (Norway) AS *(Board member)* • EMS Ship Management (Norway) AS *(Board member)*

Martin D. Solberg, Senior Vice President Finance & Accounting

Mr. Solberg joined Eitzen Chemical ASA on 1 September 2010. Previously, Mr. Solberg worked 9 years in PricewaterhouseCoopers (PwC) with public listed companies in the assurance and capital market practice in Norway. His working experience also includes two years in PwC's transaction services practice in New York, USA working primarily on IPOs and private placements. He holds an MBA from the Norwegian School of Economics (NHH), and is a State Authorized Public Accountant in Norway. Mr. Solberg is a Norwegian citizen and resides in Oslo, Norway.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Solberg.

Current	Previous five years
• Eitzen Chemical ASA *(Senior Vice President Finance & Accounting)* • Borettslaget Wessels Gate 16 *(Board member)* • Marka Finans AS *(Deputy board member)*	• None

Thomas Voss, Vice President Chartering

Mr. Thomas Voss joined Eitzen Chemical ASA o^{n} April 1st 2005. Mr. Thomas Voss has spent his entire career dealing with chemical tankers as an owner in Denmark and Switzerland and has over 20 years of experience. He started his career in Knud I. Larsen (later merged with Copenhagen Tankers), as a trainee in the early 1990. He has previously also worked for Armada Tankers and Wonsild Tankers before joining Eitzen Chemical, ASA. Mr. Thomas Voss is a Danish Citizen residing in Copenhagen, Denmark.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Voss.

Current	Previous five years
• Eitzen Chemical ASA *(Vice President Chartering)*	• None

Per Tyrsted Jørgensen, Vice President Operations

Mr. Jørgensen joined Eitzen Chemical ASA on 1 January 2009 as General Manager, Operation. He was promoted to Vice President Operations on 1 January 2011. Mr. Jørgensen has more than 30 years' experience in the maritime and shipping industry. After completing his education and career at sea, he has worked with Royal Arctic Line in Nuuk, Greenland, Clipper Tankers and Wonsild Tankers. Mr. Jørgensen is a Danish citizen and resides in Copenhagen, Denmark.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Per Tyrsted Jørgensen

Current	Previous five years
• Eitzen Chemical ASA *(Vice President Operations)*	• None

Michael Obling, Vice President Business Development

Michael Obling joined Eitzen Chemical ASA In August 2014 as Vice President Chartering. Mr. Obling has more than 20 years of commercial shipping experience as manager, broker and charterer from international Shipowners and Shipbrokers in Denmark, Germany and Singapore. Mr. Obling was, for the past 9 years Director and head of d'Amico in Singapore. Prior to that he worked for Copenhagen Tankers as General Manager Chartering from 2000 to 2005. In addition Mr. Obling has experience as a broker for Maersk Broker in Copenhagen and for Frachtcontor Junge & Co in Hamburg. He was educated at Randers Business School and holds a Diploma in Marketing from Lyngby, Denmark. Mr. Obling also finished his Executive Programme at INSEAD Asian International in Singapore in 2013. Mr. Obling is a Danish citizen and lives in Singapore.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Obling.

Current	Previous five years
• Eitzen Chemical ASA *(Vice President Business Development)* • Camillo Eitzen (Singapore) Pte. Ltd. *(Board member)* • Sigas (Singapore) Pte. Ltd. *(Board member)*	• D'Amico Shipping Singapore Pte. Ltd. *(Board member)* • D'Amico Tankers Shipping Pte. Ltd. *(Board member)* • Glenda International Management Ltd. *(Board member)* • High Pool Tankers Ltd. *(Board member)* • VPC Logistic Ltd. *(Board member)*

Svend Anthonsen, Vice President Technical

Mr. Anthonsen joined Eitzen Chemical in July 2014. Previously Mr. Anthonsen was CTO/General Manager in Ultragas/Ultrabulk for nearly 5 years where he was responsible for the technical operation and also the new building program of both gas and bulk carriers. Prior to that, he was employed in Eitzen Group for 11 years where he has held a number of positions ranking from Technical Superintendent, Technical Manager and Technical Director in the ship management division of the company. This has given him a very strong knowledge in technical operation, both as a shipping owner and as a ship manager of various types of vessels (product, chemical, gas and bulk carriers). Prior to engagement in the shipping industry Mr. Anthonsen was employed at MAN B&W Diesel A/S where we worked as Service Engineer for after sales services. Mr. Anthonsen is a Marine Engineer from the East Asiatic Company (ØK) and has been sailing for almost 10 years in both EAC and D/S Torm A/S. Mr. Anthonsen is a Danish citizen and resides in Denmark.

The table below sets out the directorships and senior management positions currently held and held during the past five years by Mr. Anthonsen.

Current	Previous five years
• Eitzen Chemical ASA *(Vice President Technical)*	• Ultragas ApS *(Chief Technical Officer)* • Ultrabulk Shipping A/S (Chief Technical Officer)

14.2.3 Remuneration and benefits

Information about the remuneration and benefits granted to the members of the Executive Management for Eitzen Chemical for the financial year ending 31 December 2013 is set out in the table below (all amounts in USD thousand):

Name	Remuneration	Bonus	Pension	Total
Jens Grønning[1)]	98	-	3	102
Andreas Reklev	348	261	14	624
Martin D. Solberg	247	118	20	386
Thomas Voss[2)]	123	-	4	127
Geir Frode Abelsen[3)]	358	165	31	554
Per Sylvester Jensen[4)]	608	300	13	921
Aage Rasmussen[5)]	277	175	23	475
Total compensation	**2,060**	**1,019**	**108**	**3,188**

[1)] *Mr. Jens Grønning joined Eitzen Chemical and was appointed Chief Executive Officer (CEO) in November 2013.*

[2] *Mr. Thomas Voss joined the Executive Management team of Eitzen Chemical in August 2013. Compensation included in the table above only includes compensation in the period after appointment to the Executive Management team.*

[3] *Former Chief Operating Officer of Eitzen Chemical Mr. Geir Frode Abelsen resigned in March 2014.*

[4] *Total compensation paid to former CEO of Eitzen Chemical Mr. Per Sylvester Jensen in 2013 includes compensation paid in the period after his resignation in November 2013. Mr. Jensen received full remuneration in his notice period of 6 months.*

[5] *Former Senior Vice President of Eitzen Chemical Mr. Aage Rasmussen resigned in July 2013.*

Mr. Per Tyrsted Jørgensen, Mr. Michael Obling and Mr. Svend Anthonsen joined the Executive Management team in 2014 and are not included in the overview above.

Benefits upon termination of employment

The members of the Executive Management have notice periods included in their contracts of employment. The notice periods are individual and vary from 3 to 6 months. All members of the Executive Management will receive full remuneration in the notice period. None of the members of the Executive Management have terms in the service contracts providing for benefits upon termination of employment e.g. severance pay.

Employee incentive scheme

Eitzen Chemical has established a discretionary bonus scheme for its employees, including the members of the Executive Management, which is based on an evaluation of the Company's, department's and the individual employee's performance. Refer to the table above for an overview of the bonus payments made to Executive Management of Eitzen Chemical in the financial year ending 31 December 2013.

Employee share option program

The Company has no current share option program. The options under Eitzen Chemical's share option program expired in November 2014.

14.3 Conflict of interest

During the last five years preceding the date of this Document, none of the members of the Board of Directors, the New Board of Directors or the Executive Management has:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any member of the Board of Directors and the Executive Management has been selected. Except as stated in section 14.1.4 above, to the Company's knowledge, there are currently no other actual or potential conflicts of interest between the duties to the Company and the private interests or other duties of any of the members of the Board of Directors or Executive Management of the Company.

There are no family relationships between any of the members of the Board of Directors or the Executive Management.

14.4 Employees

14.4.1 Overview

As at the date of this Document, the Company does not have any employees. However, the Company has entered into a service agreement with Eitzen Chemical under which Eitzen Chemical inter alia will carry out management services for the Company.

The total number of employees in the Group as at the date of this Document is 1,381, whereof 1,300 of the employees are crew members employed on the Group's vessels and 81 are employees onshore. The table below sets out the number of employees at the date of this Document, in addition to at the end of the financial years 2013, 2012 and 2011.

	Date of Document	**2013**	**2012**	**2011**
Crew members	1,300	1,300	1,250	1,340
Onshore employees – Norway	6	8	7	8
Onshore employees – Denmark	41	36	39	43
Onshore employees – USA	13	13	15	17
Onshore employees – Singapore	11	12	10	9
Onshore employees – Spain	10	9	8	10
Total	**1,381**	**1,378**	**1,329**	**1,427**

14.4.2 Pensions

Pension Cost, Funding and Obligations
Eitzen Chemical has a defined benefit pension plan for employees in Norway. The plan is funded through an insurance company. The plan defines the amount of pension that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation. Employees in Denmark are part of a contribution plan. Eitzen Chemical has no legal or constructive obligations to pay future contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods. Refer to note 8 in the 2013 parent financial statements of Eitzen Chemical for further details on the defined benefit pension plan. As of 31 December 2013 the Company has recorded a net pension liability of USD 0.2 million (2012: USD 0.2 million).

Defined contribution plan
Expenses in 2013 related to contribution plans amount to USD 0.5 million (2012: USD 0.5 million).

14.5 Corporate governance

The Board of Team Tankers Ltd. is committed to developing a strong, sustainable and competitive company in the best interest of the shareholders, employees, customers, creditors, business associates, third parties and society at large. The Corporate Governance Code makes basis for the Company's corporate governance policy. The Company's corporate governance framework is based on the corporate governance policies of Eitzen Chemical, and the Company intends to continue the practices established by Eitzen Chemical with natural amendments as a consequence of being a Bermuda company. The annual corporate governance reports of Eitzen

Chemical for the previous years can be found in the annual reports of Eitzen Chemical attached hereto as appendices I and II.

The Company's corporate governance policy will be published in its annual reports and on the Company's website.

The Company has defined its own Social Corporate Responsibility guideline which is complemented with its Code of Conduct to which the Board as well as all employees are committed. The Board has issued instructions for its own work.

Team Tankers Ltd. complies with the Norwegian Code of Practice for Corporate Governance of 30 October 2014 with the following deviations:

- Deviation from section 2 – "Business": In accordance with common practice for Bermuda incorporated companies, the Company's objects as set out in the memorandum of association are wider and more extensive than recommended in the Corporate Governance Code,
- Deviation from section 3 "Equity and dividends": Pursuant to Bermuda law and common practice for Bermuda incorporated companies, the Board of Directors has wide powers to purchase its own shares, declare dividends and to issue any authorized but unissued shares on such terms and conditions as it may decide, subject to any resolution of the Company's shareholders to the contrary, and as regards share repurchase, the Bermuda solvency requirements.
- Deviation from section 6 "General meetings": The Chairman of the Board of Directors will chair the Company's general meetings unless otherwise resolved by majority vote. This is mainly due to the fact that the Bye-laws of the Company provide, as is common under Bermuda law, that the Chairman of the Board of Directors shall, as a general rule, chair the general meetings. The notice period for the general meetings is further 14 days, and not 21 days as recommended in the Corporate Governance Code.
- Deviation from section 7 – "Nomination committee": The Company will at the time of Listing not have a nomination committee as recommended in the Corporate Governance Code. However, it is contemplated that the Company's shareholders following the Listing shall appoint a nomination committee in accordance with the recommendation in the code.
- Deviation from section 8 – "Corporate assembly and board of directors: composition and independence": Pursuant to the code, the board of directors should not include members of the executive management. The chairman of the Board of Team Tankers Ltd., may also hold the position as managing director of the Company, and thus possibly not fully comply with the Corporate Governance Code on this point. It is however customary for companies operating within the same business as the Company to have senior management represented on the board. The Company will also following the Exchange Offer be predominantly owned by US shareholders and it is customary in the USA to combine these two positions. Furthermore, the Bye-laws provides for the members of the New Board of Directors who vacate their office during their initial term to appoint a successor director for the remainder of such initial term. When the initial term has expired, the directors are elected and removed by a simple majority of shareholders. As the New Board's paramount task will be to ensure the successful implementation of the financial restructuring as well as implementing short and long term measures to further improve the prospects of the restructured group, it has been deemed important to ensure proper working conditions and stability for the board during the initial phase of the restructured company's existence. Board continuity is further in the interest of the largest shareholders of Eitzen Chemical being represented on the Board.
- Deviation from section 9 – "The work of the Board of Directors": Pursuant to common practice for Companies predominantly owned by US shareholders it is contemplated and provided for in the Bye-laws that the entire Board will constitute the audit committee. In the event the chairman is appointed the

managing director of the Company, the chairman of the Board will not participate in the audit committee.

- Deviation from section 11 – "Remuneration of the Board of Directors": Pursuant to the code, members of the board of directors should not take on specific assignments for the company in addition to their appointment as a member of the board. Board member, Mr. Aage Figenschou has since 2012 been engaged by Eitzen Chemical as a consultant and has received and will continue to receive additional remuneration under the terms of the consultancy agreement. The term of the current consultancy agreement expires 31 March 2015 and following completion of the Relocation and the Restructuring, it is not expected that such consultancy agreement will be continued.

15 SHARE CAPITAL AND SHAREHOLDER MATTERS

15.1 Legal structure

15.1.1 Current legal structure

As of the date of this Document, Team Tankers Ltd. is 100% owned by Eitzen Chemical. Team Tankers Ltd. has four subsidiaries (Team Tankers Shipping & Trading Ltd., Team Tankers City Class Ltd., Team Tankers Deep Sea Ltd. and Team Tankers Regional Ltd.) which were incorporated 7 January 2015.

Eitzen Chemical is currently the parent company in the Group, and functions as a holding company. The Group's operations are performed by different subsidiaries. The Company's vessels are currently owned through subsidiaries in Bermuda and Singapore, for more information regarding the contemplated Restructuring following completion of the Exchange Offer, please refer to section 7.3 "Restructuring" above. All subsidiaries, foreign and domestic, are wholly owned directly or indirectly by Eitzen Chemical.

15.1.2 Legal structure following completion of the Exchange Offer

Following completion of the Exchange Offer, Team Tankers Ltd. will be the parent company of the Group. Refer to section 7.3 "Restructuring" for an illustration of the Group structure following the Exchange Offer.

15.2 Authorized and issued share capital in Team Tankers Ltd.

As at the date of this Document, the authorized share capital of Team Tankers Ltd. is USD 10,000,000 and consisting of 1,000,000,000 shares with a par value of USD 0.01 each, of which 1,000,000 shares have been issued and fully paid.

The Team Tankers Shares have been issued under the Bermuda Companies Act and are registered in the VPS under ISIN BMG870871057. All Team Tankers Shares rank in parity with one another and carry one vote per share.

Team Tankers Ltd. has only one class of shares. There are no share options, warrants or other rights to subscribe or acquire Shares issued by the Company. Since the date of inception and up until the date of this Document, 100% of the issued share capital in the Company is held by Eitzen Chemical.

The table below sets forth the development of the share capital of Team Tankers Ltd. and the number of issued and outstanding Team Tankers Shares in the last three years:

Date	Type of change	Change in issued share capital	Par value per Share	Consideration	Total issued share capital	Number of Shares
July 2014	Issue	USD 10,000	USD 0.01	USD 10,000	USD 10,000	1,000,000

The Company has not carried out any share capital increases or other changes in the share capital since its date of incorporation.

On 28 January 2015 the shareholder of Team Tankers Ltd. resolved to increase the authorized share capital of Team Tankers Ltd. to USD 10,000,000 by making the following resolution:

"The undersigned, being the sole Member of the Company acting by written consent without a meeting, **DOES HEREBY CONSENT** to the adoption of the following resolutions:

1. INCREASE OF CAPITAL

RESOLVED THAT the authorised capital of the Company be increased from US$10,000 to US$10,000,000 by the creation of an additional 999,000,000 shares of par value US$0.01 each ranking *pari-passu* with the existing shares of the Company.

2. CONFIRMATION OF ACTS

RESOLVED THAT the Member ratifies and confirms all and any actions taken by the Directors and Officers of the Company relative to the business of the Company up to the date hereof."

Following the increase of the authorized share capital of the Company, the Board is authorized to increase the issued share capital with USD 9,990,000 and issue 999,000,000 new shares in the Company. Assuming that all the Eitzen Chemical Shareholders have accepted the Exchange Offer, the Offering will be fully subscribed and that the price in the Offering will be three times the closing price of the Eitzen Chemical Share on Oslo Stock Exchange on 28 January 2015, the Board will issue a total of 188,101,248 shares in the Offering and the Exchange Offering if they are completed.

15.3 Share capital of Eitzen Chemical

As of the date of this Document, Eitzen Chemical's issued and outstanding share capital is NOK 563,506,200 divided into 563,506,200 shares, each with a nominal value of NOK 1. As of the date of this Document, Eitzen Chemical does not hold any shares in treasury.

15.4 Ownership structure

Team Tankers Ltd. has been established by Eitzen Chemical with the sole purpose of acquiring the Eitzen Chemical Shares in the Exchange Offer. As the Exchange Offer will be made to all Eitzen Chemical Shareholders (except for Eitzen Chemical Shareholders in jurisdictions where this Document may not be lawfully distributed) and assuming that all Eitzen Chemical Shareholders tender their shares under the Exchange Offer, the shareholder structure of Team Tankers Ltd. will in all material respects correspond with the shareholder structure of Eitzen Chemical as set forth below.

As of the 27 January 2015, Eitzen Chemical had 1.780 shareholders. The following table sets forth the 20 largest shareholders of Eitzen Chemical as of 27 January 2015:

#	Shareholders	Number of Shares	Per cent
1	Angelo Gordon & Company	138,131,639	24.51 %
2	Solus Alternative Asset Management LP	118,741,754	21.07 %
3	GLG Partners Inc.	61,230,975	10.87 %
4	Barclays Capital Inc.	56,027,250	9.94 %
5	Cerberus European Capital Advisors LLP	50,234,383	8.91 %
6	Goldman Sachs International	32,332,522	5.74 %
7	Onex Credit Partners LLC	18,343,717	3.26 %
8	Shares to bondholders held in escrow by Nordic Trustee	19,722,717	3.50 %
9	Deutsche Bank AG	16,137,935	2.86 %
10	Bank of America Merrill Lynch	11,820,580	2.10 %
11	Wingspan Investment Management LP	11,391,805	2.02 %
12	Perella Weinberg Partners LP	8,184,570	1.45 %
13	Citigroup Global Markets Limited	4,721,518	0.84 %
14	SVP Acquisitions LLC	4,345,593	0.77 %
15	Jason Shipping AS	3,835,119	0.68 %
16	Sculptor Investments Sarl	869,118	0.15 %
17	Skandinaviska Ensiklda Banken AB	563,982	0.10 %
18	Robert Hvide Macleod	488,888	0.09 %
19	Ulsvåg Invest AS	284,925	0.05 %
20	Skandinaviska Enskilda Banken AB Client Account	267,841	0.05 %

Shareholders owning 5% or more of the shares in Team Tankers after the Listing have an interest in the Company‘s share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 16.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

All Team Tankers Shares will carry the same rights and, accordingly, the Team Tanker Shares that will be held by the majority shareholders will not have different voting rights attached to them.

Team Tankers Ltd. is not aware of any arrangements, the operation of which may result in a change of control of Team Tankers Ltd. or Eitzen Chemical.

15.5 Shareholders' agreements and lock-up agreements

The management is not aware of any shareholders' agreements or lock-up agreements being entered into by and among the Eitzen Chemical Shareholders.

15.6 Rights to shares

There are no outstanding options, warrants, convertible loans or other instruments which would entitle the holder of any such securities to require that Team Tankers Ltd. issue any Team Tankers Shares.

15.7 The memorandum of association, Bye-laws and Bermuda law

Below is a summary of provisions of the Company's Bye-laws with effect from first day of Listing and certain aspects of applicable Bermuda law. The Bye-laws of the Company do not place more stringent conditions for the change of rights of holders than those required by the Bermuda Companies Act, see Section 15.7.5 "Voting rights".

15.7.1 Objects of the Company

The objects of the Company's business, as set out in paragraph 6 of its memorandum of association, are unrestricted. The Company can therefore, subject to the Board of Directors' opinion, undertake activities without restriction on its capacity.

15.7.2 Board of Directors

The Bye-laws provide that the Company shall be managed by the Board of Directors subject to the Bermuda Companies Act and the Bye-laws. Generally, the Board of Directors may exercise the powers of the Company, except to the extent the Bermuda Companies Act or the Bye-laws reserve such power to the shareholders.

The Board of Directors shall consist of not less than three Directors and not more than seven Directors as the Board of Directors may determine or such other minimum and maximum numbers as the shareholders of the Company may from time to time determine.

Directors are elected by the shareholders, except in the case of a casual vacancy, at the annual general meeting or at any special general meeting called for that purpose, for such term of office as the shareholders determine, or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their office is otherwise vacated. If there is a vacancy of the Board of Directors occurring as a result of the death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board of Directors, the shareholders of the Company or the Board of Directors has the power to appoint a Director to fill the vacancy.

According to the Bye-laws the term of four members of the Initial Board shall be until the annual general meeting in 2015 and term of remaining three board members shall be until the annual general meeting in 2016. The board members shall not be removed during these initial terms unless approved by ¾ of the votes at the general meeting.

A Director may resign by providing notice in writing to the Company of such resignation. A Director may be removed at any general meeting convened and held in accordance with the Bye-laws, provided that the notice of any such meeting convened for the purpose of removing a Director contains a statement of the intention to remove the Director and must be served on the Director not less than 14 days before the meeting. The Director shall be entitled to attend the meeting and be heard on the motion for such Director's removal. The office of a Director of the Company shall be vacated if he or she (i) is removed from office pursuant to the Bye-laws or is prohibited from being a Director by law; (ii) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally; (iii) is or becomes of unsound mind or dies, or (iv) resigns his office by notice to the Company.

A Director may hold any office or act for the Company in any capacity (except as auditor). Provided a Director discloses a direct or indirect interest in any contract or arrangement with the Company as required by Bermuda law, such Director is entitled to vote in respect of any such contract or arrangement in which he or she is interested unless he or she is disqualified from voting by the chairman of the relevant Board meeting. Notwithstanding the previous sentence and save as provided in the Bye-laws, a Director may not vote, be counted in the quorum or act as chairman at a meeting in respect of (i) his appointment to hold any office or place of profit with the Company or any body corporate or other entity in which the Company owns an equity interest or (ii) the approval of the terms of any such appointment or of any contract or arrangement in which he is materially interested (otherwise than by virtue of his interest in shares, debentures or other securities of the Company), provided that, a Director is entitled to vote (and be counted in the quorum and act as chairman) in respect of any resolution concerning any of the following matters, namely: (a) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company; or (b) any proposal concerning any other body corporate in which he is interested directly or indirectly, whether as an officer, shareholder, creditor or otherwise, provided that he is not the holder of or beneficially interested (other than as a bare custodian or trustee in respect of shares in which he has no beneficial interest) in more than 1% of any class of the issued share capital of such body corporate (or of any third body corporate through which his interest is derived) or of the voting rights attached to all of the issued shares of the relevant body corporate (any such interest being deemed for the purpose of the Bye-laws to be a material interest in all circumstances); and (c) in the case of an alternate Director, an interest of a Director for whom he is acting as alternate shall be treated as an interest of such alternate Director in addition to any interest which the alternate Director may otherwise have. If any question arises at a meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote, and such question is not resolved by such Director voluntarily agreeing to abstain from voting and not be counted in the quorum of such meeting, such question shall be referred to the chairman of the meeting (except in the event the Director is also the chairman of the meeting, in which case the question shall be referred to the other Directors present at the meeting) and his (or their, as the case may be) ruling in relation to such Director shall be final and conclusive, except in a case where the nature or extent of the interest of the Director concerned has not been fully disclosed.

15.7.3 Share rights

The holders of Shares have no pre-emptive, redemption, conversion or sinking fund rights. The holders of Shares are entitled to one vote per Share on all matters submitted to a vote of the holders of Shares. Unless a different majority is required by law or by the Bye-laws, resolutions to be approved by the holders of Shares require approval by the affirmative votes of a majority of votes cast at a meeting at which a quorum is present.

In the event of the liquidation, dissolution or winding up of the Company, the holders of Shares are entitled to share equally and rateably in its assets, if any, remaining after the payment of all of the Company's debts and liabilities.

15.7.4 Variation of share rights

Subject to the Bermuda Companies Act, all or any of the rights attached to any class of Shares issued may (whether or not the Company is being wound up) be varied with the consent in writing of the holders of not less than two-thirds of the issued Shares of that class or with the sanction of a resolution passed by the affirmative vote of not less than two-thirds of the shares and votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The Bye-laws specify that the creation or issue of Shares ranking equally with existing Shares will not, unless expressly provided by the terms of issue of existing Shares, vary the rights attached to existing Shares.

15.7.5 Voting rights

At any general meeting, every holder of Shares present in person and every person holding a valid proxy shall have one vote on a show of hands. On a poll, every such holder of Shares present in person or by proxy shall have one vote for every Share held.

Except where a greater majority is required by the Bermuda Companies Act or the Bye-laws, any question proposed for the consideration of the shareholders at a general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of the Bye-laws and in case of an equality of votes, the resolution shall fail.

15.7.6 Amendment of the memorandum of association and the Bye-laws

The Bye-laws provide that the memorandum of association of the Company may not be altered or amended, unless it shall have been approved by a resolution by the Board of Directors and by a resolution passed with the affirmative vote of a majority of the votes cast at a general meeting of shareholders. The Bye-laws further provide that no byelaw shall be rescinded, altered or amended, and no new bye-law shall be made, unless it shall have been approved by a resolution of the Board of Directors and by a resolution of the shareholders with the affirmative vote of a majority of the votes cast at a general meeting of shareholders.

Under the Bermuda Companies Act, the holders of an aggregate of not less than 20% in par value of the Company's issued share capital or any class thereof have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment which alters or reduces a company's share capital as provided in the Bermuda Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Supreme Court of Bermuda. An application for an annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the Company's memorandum of association is passed and may be made on behalf of persons entitled to make the application or by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favor of the amendment.

15.7.7 General meetings of shareholders

The annual general meeting of the Company shall be held once in every year at such time and place as the Chairman (if any) or the Board of Directors shall appoint. The Chairman (if any) or the Board of Directors may whenever they think fit convene special general meetings of the Company. The Board of Directors shall on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up voting share capital of the Company, forthwith proceed to convene a special general meeting of the Company.

At least 14 days' notice of an annual general meeting shall be given to each shareholder entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of directors will

take place thereat and, as far as practicable, the other business to be conducted at the meeting. At least 14 days' notice of a special general meeting shall be given to each shareholder entitled to attend and vote thereat, stating the date, place and time and the general nature of the business to be considered at the meeting. The Board may fix any date as the record date for determining the shareholders entitled to receive notice of and to vote at any general meeting. A general meeting of the Company shall notwithstanding that it is called on shorter notice than that specified in the Bye-laws, be deemed to have been properly called if it is agreed by (i) in the case of an annual general meeting by all of the shareholders entitled to attend and vote at such meeting; or (ii) in the case of a special general meeting by a majority in number of the shareholders having the right to attend and vote at the meeting being a majority together holding not less than 95% in nominal value of the shares entitled to attend and vote at such meeting.

The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting. Notwithstanding any other provision of the Bye-laws, no shareholder shall be entitled to attend any general meeting unless notice in writing of the intention to attend and vote in person or by proxy signed by or on behalf of the shareholder (together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) addressed to the secretary of the Company is deposited (by post, courier, facsimile transmission or other electronic means) at the registered office of the Company at least 48 hours before the time appointed for holding the general meeting or the adjournment thereof.

Shareholders may participate in any general meeting by means of such telephonic, electronic or other communication facilities or means as permits all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such meeting shall constitute presence in person at such meeting. Except as otherwise provided in the Bye-laws, the quorum at any general meeting of the Company shall be constituted by one or more persons, present in person and representing in person or by proxy, in excess of 50% of the total issued voting shares throughout the meeting.

15.7.8 Dividend rights

Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) that the realizable value of its assets would thereby be less than its liabilities or in circumstances that would result in an unlawful reduction of share capital or share premium. Under the Bye-laws, each of the Shares is entitled to such dividends as the Board of Directors may from time to time declare.

15.7.9 Transfer of Shares

Notwithstanding anything to the contrary in the Bye-laws, shares that are listed or admitted to trading on an appointed stock exchange may be transferred in accordance with the rules and regulations of such exchange. Where applicable, all transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of the VPS or any other relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board of Directors in accordance with the Bye-laws. The Board of Directors shall refuse any transfer unless the registration of such transfer satisfies all applicable consents, authorizations and permissions of any governmental body or agency in Bermuda. The Board of Directors may also refuse to recognize an instrument of transfer of a share unless it is accompanied by the relevant share certificate (if one has been issued) and such other evidence of the transferor's right to make the transfer as the Board of Directors shall reasonably require. Subject to these restrictions, a holder of Shares may transfer the title to all or any of his Shares by completing an instrument of transfer in the usual common form or in any other form as the Board of Directors may approve. The instrument of transfer must be signed by the transferor and transferee, although in the case of a fully paid share the Board of Directors may

accept the instrument signed only by the transferor. Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Bermuda Companies Act.

In accordance with Bermuda law, share certificates are only issued in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (for example as a trustee), certificates may, at the request of the shareholder, record the capacity in which the shareholder is acting. Notwithstanding such recording of any special capacity, the Company is not bound to investigate or see to the execution of any such trust. The Company will take no notice of any trust applicable to any of the Shares, whether or not the Company has been notified of such trust.

15.7.10 Amalgamations and mergers

The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the company's board of directors and by its shareholders. Unless the Bye-laws provide otherwise (and the Company's Bye-laws do not), the approval of 75% of the shareholders voting at such meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be two persons holding or representing more than one-third of the issued shares of the company.

15.7.11 Appraisal rights and other shareholder suits

Under the Bermuda Companies Act, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the general meeting, apply to the Bermuda Supreme Court to appraise the fair value of those shares. Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal or would result in the violation of the company's memorandum of association or Bye-laws.

Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

15.7.12 Capitalization of profits and reserves

Pursuant to the Bye-laws, the Board of Directors may (i) capitalize any part of the amount of the Company's share premium or other reserve accounts or any amount credited to the Company's profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro-rata (except in connection with the conversion of shares of one class to shares of another class) to the shareholders; or (ii) capitalize any sum standing to the credit of a reserve account or sums otherwise available for dividend or distribution by paying up in full, partly paid or nil paid shares of those shareholders who would have been entitled to such sums if they were distributed by way of dividend or distribution.

15.7.13 Untraced shareholders

The Bye-laws provide that the Board of Directors may forfeit any dividend or other monies payable in respect of any shares which remain unclaimed for six years from the date when such monies became due for payment. In addition, the Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a shareholder if such instruments have been returned undelivered to, or left uncashed by, such shareholder on at least two consecutive occasions or, following one such occasion, reasonable enquires have failed to establish the shareholder's new address. This entitlement ceases if the shareholder claims a dividend or cashes a dividend cheque or a warrant.

15.7.14 Access to books and records and dissemination of information

Members of the general public have the right to inspect the public documents of a Bermuda company available at the office of the Registrar of Companies in Bermuda. These documents include the Company's memorandum of association, including its objects and powers, and certain alterations to its memorandum of association. The shareholders have the additional right to inspect the Bye-laws of the Company, minutes of general meetings and the company's audited financial statements, which must be laid before the shareholders at the annual general meeting unless this is waived in accordance with the Bermuda Companies Act. The register of members of a Bermuda company is also open to inspection by shareholders and by members of the general public without charge. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of shareholders for not more than thirty days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records. Where a company, the shares of which are listed on an Appointed Stock Exchange, sends its summarized financial statements to its shareholders pursuant to Section 87A of the Bermuda Companies Act, a copy of the full financial statements (as well as the summarized financial statements) must be available for inspection by the public at the company's registered office.

15.7.15 Compulsory acquisition

An acquiring party is under Bermuda law generally able to compulsorily acquire the common shares of minority holders in the following ways:

• By a procedure under the Bermuda Companies Act known as a "scheme of arrangement". A scheme of arrangement can be effected by obtaining the agreement of the company and of holders of common shares, representing in the aggregate a majority in number and at least 75% in value of the common shareholders present and voting at a court ordered meeting held to consider the scheme of arrangement. The Bermuda Supreme Court must then sanction the scheme of arrangement. If a scheme of arrangement receives all necessary agreements and sanctions, then upon the filing of the court order with the Bermuda Registrar of Companies, all holders of common shares will be obligated to sell their shares under the terms of the scheme of arrangement.

• If the acquiring party is a company acquiring pursuant to a tender offer 90% of the shares or class of shares that are not already owned by, or held by a nominee for or on behalf of that acquiring party, or any of its subsidiaries (the offeror). If within four months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, an offeror receives the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares to the offeror on the same terms as the original offer. In those circumstances, non-tendering shareholders

will be compelled to sell their shares unless the Bermuda Supreme Court (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.

• Where the acquiring party or parties hold not less than 95% of the shares or a class of shares of the company, the acquiring party may, pursuant to a notice given to the remaining shareholders or class of shareholders, acquire the shares of such remaining shareholders or class of shareholders. When such notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Bermuda Supreme Court for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

15.7.16 Winding-up

A company may be wound up by the Bermuda court on application presented by the company itself, its creditors (including contingent or prospective creditors) or its contributories. The Bermuda court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Bermuda court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum expires, or the event occurs on the occurrence of which the memorandum provides that the company is to be dissolved. In the case of a voluntary winding up, the company shall, from the commencement of the winding up, cease to carry on its business, except so far as may be required for the beneficial winding up thereof.

Where, on a voluntary winding up, a majority of directors make a statutory declaration of solvency, the winding up will be deemed a "members' voluntary winding up". In any case where such declaration has not been made, the winding up will be deemed a "creditors' voluntary winding up".

In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators within the period prescribed by the Bermuda Companies Act for the purpose of winding up the affairs of the company and distributing its assets. If the liquidator is at any time of the opinion that the company will not be able to pay its debts in full in the period stated in the directors' declaration of solvency, he is obliged to summon a meeting of creditors and lay before the meeting a statement of the assets and liabilities of the company.

As soon as the affairs of the company are fully wound up via a members' voluntary winding up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account, and giving any explanation thereof. This final general meeting shall be called by advertisement in an appointed newspaper, published at least one month before the meeting. Within one week after the meeting the liquidator shall notify the Registrar of Companies in Bermuda that the company has been dissolved and the Registrar shall record that fact in accordance with the Bermuda Companies Act.

In the case of a creditors' voluntary winding up of a company, the company must call a meeting of the creditors of the company to be summoned for the day, or the next day following the day, on which the meeting of the members at which the resolution for voluntary winding up is to be proposed is held. Notice of such meeting of creditors must be sent at the same time as notice is sent to members. In addition, the company must cause a notice to appear in an appointed newspaper on at least two occasions.

The creditors and the members at their respective meetings may nominate a person to be liquidator for the purposes of winding up the affairs of the company and distributing the assets of the company, provided that if

the creditors and the members nominate different persons, the person nominated by the creditors shall be the liquidator. If no person is nominated by the creditors, the person (if any) nominated by the members shall be liquidator. The creditors at the creditors' meeting may also appoint a committee of inspection consisting of not more than five persons.

If a creditors' voluntary winding up continues for more than one year, the liquidator is required to summon a general meeting of the company and a meeting of the creditors at the end of each year (or at the first convenient date within three months from the end of the year or such longer period as the Registrar shall allow) and must lay before such meetings an account of his acts and dealings and of the conduct of the winding up during the preceding year.

As soon as the affairs of the company are fully wound up via a creditors' voluntary winding up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company and a meeting of the creditors for the purposes of laying the account before the meetings, and giving any explanation thereof. Each such meeting shall be called by advertisement in an appointed newspaper, published at least one month before the meeting. Within one week after the date of the meetings, or if the meetings are not held on the same date, after the date of the later meeting, the liquidator is required to send to the Registrar of Companies in Bermuda a copy of the account and make a return to him in accordance with the Bermuda Companies Act. The company will be deemed to be dissolved on the expiration of three months from the registration by the Registrar of Companies in Bermuda of the account and the return. However, a Bermuda court may, on the application of the liquidator or of some other person who appears to the court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the court thinks fit.

15.7.17 Indemnification of Directors and officers

The directors, secretary and other officers shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons. Section 98A of the Bermuda Companies Act permits the Company to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director. To date, each of the Selling Shareholders has provided a director's and officer's liability policy for such purpose and it is proposed that the Company obtains its own cover as soon as reasonably possible following the Listing.

Under the Bye-laws, each shareholder agrees to waive any claim or right of action such shareholder might have, whether individually or in the right of the Company, against any director or officer on account of any action taken by such director or officer, or the failure of such director or officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof. Such waivers do not extend to any liability arising from any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such director or officer.

The Company may advance moneys to a director or officer for the costs, charges and expenses incurred by the director or officer in defending any civil or criminal proceedings against him, on condition that the director or officer shall repay the advance if any allegation of fraud or dishonesty is proved against him.

16 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Document, which may be subject to changes occurring after such date. The summary does not purport to be a comprehensive description of securities trading in Norway. Shareholders who wish to clarify the aspects of securities trading in Norway should consult with and rely upon their own advisors.

16.1 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET) and 16.20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is three trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Oslo Clearing ASA, a wholly-owned subsidiary of SIX x-clear AG, a company in the SIX group, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Stock Exchange.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

16.2 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company. Inside information means precise information about financial instruments, the issuer thereof or other matters which are likely to

have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

16.3 The VPS and transfer of Shares

The VPS maintains a branch register in addition to the principal share register of the Company maintained at the registered office of the Company in Bermuda pursuant to the provisions of the Bermuda Companies Act. Bermuda law permits the transfer of shares listed or admitted to trading on the Oslo Stock Exchange to be effected in accordance with the rules of the Oslo Stock Exchange (provided that it remains an Appointed Stock Exchange). Accordingly, the title to the Team Tankers Shares, including the Consideration Shares and the Offer Shares, will be evidenced and transferred without a written instrument by the VPS in accordance with the Company's Bye-laws, provided that they are listed or admitted to trading on the Oslo Stock Exchange. The Team Tankers Shares (and not only the beneficial interests in the Team Tankers Shares) are registered in the VPS.

The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

16.4 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

16.5 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

16.6 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

16.7 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

16.8 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the Document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer

obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

16.9 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

17 TAXATION

Set out below is a summary of certain Bermuda and Norwegian tax matters related to an investment in the Company. The summary regarding Bermuda and Norwegian taxation are based on the laws in force in Bermuda and Norway as at the date of this Document, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

17.1 Bermuda taxation

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or by its shareholders in respect of the Shares. The Company has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 31 March 2035, be applicable to the Company or to any of the Company's operations or to its shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by the Company in respect of real property owned or leased by the Company in Bermuda.

17.2 Norwegian taxation

17.2.1 Tax Consequences for accepting the Exchange Offer

Corporate Shareholders Resident in Norway

Norwegian Eitzen Chemical Shareholders, who are limited liability companies or similar entities, are according to the Norwegian exemption method not subject to tax on capital gains derived from realization of Eitzen Chemical Shares by accepting the Exchange Offer. Neither the losses incurred through such realization nor costs incurred in connection with buying and selling shares are deductible for tax purposes.

Individual Shareholders Resident in Norway

For Eitzen Chemical Shareholders, who are Norwegian individuals, realization of Eitzen Chemical Shares by accepting the Exchange Offer will result in a taxable capital gain or a deductible loss in the year of realization. The capital gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares realized. The tax rate on the capital gain is currently 27 percent. The taxable capital gain is determined based on the consideration received for the shares less the tax base of the shares. The tax base of the shares is normally the same as the consideration paid for the shares. When calculating the taxable capital gain, any unused tax-free allowance is deducted from the gain. However, unused tax-free allowance may not result in or increase a deductible loss.

The value of the consideration in Eitzen Chemical Shares received by the Eitzen Chemical Shareholders will be valued at the date when the Exchange Offer becomes unconditional. Costs incurred in connection with buying and selling shares are deductible against ordinary income in the year of realization. If a shareholder disposes of shares acquired at different times, the shares first acquired will be deemed as first sold (the "first-in-first-out" principle).

Shareholders Resident Outside Norway
Capital gains derived from acceptance of the Exchange Offer by a Eitzen Chemical Shareholder, who is not resident in Norway for tax purposes, will not be subject to taxation in Norway, unless the non-resident Shareholder (i) is an individual Eitzen Chemical Shareholder and the Eitzen Chemical Shares are held in connection with the conduct of a trade or business in Norway or (ii) is an individual Eitzen Chemical Shareholder who has been a tax resident of Norway within the five calendar years preceding the year of the sale.

Stamp Duty
No stamp or similar duties are currently imposed in Norway on the transfer of Eitzen Chemical Shares in connection with the Exchange Offer.

17.2.2 Taxation of dividends

Norwegian Personal Shareholders
Dividends from the Company received by shareholders who are individuals resident in Norway for tax purposes ("Norwegian Personal Shareholders") are taxable as ordinary income in Norway for such shareholders at a flat rate of 27% to the extent the dividend exceeds a tax-free allowance.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (Norwegian: "statskasseveksler") with three months maturity. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share.

Norwegian Corporate Shareholders
Dividends distributed by companies resident in Bermuda for tax purposes, including dividends from the Company, received by Norwegian shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("Norwegian Corporate Shareholders"), are taxable as ordinary income in Norway for such shareholders at a flat rate of 27%.

Non-Norwegian Shareholders
As a general rule, dividends received by Non-Norwegian tax resident shareholders ("Non-Norwegian Shareholders") from shares in Non-Norwegian companies are not subject to Norwegian taxation unless the Non-Norwegian shareholder holds the shares in connection with the conduct of a trade or business in Norway.

17.2.3 Taxation of capital gains on realization of Shares

Norwegian Personal Shareholders
Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax

deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a rate of 27%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 17.2.2 "Taxation of dividends–Norwegian Personal Shareholders" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders

A capital gain or loss derived by a Norwegian Corporate Shareholder from a disposal of shares in the Company is taxable or tax deductible in Norway. The taxable gain/deductible loss per share is calculated as the difference between the consideration for the share and the Norwegian Corporate Shareholder's cost price of the share, including costs incurred in relation to the acquisition or disposal of the share. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. Ordinary income is taxable at a rate of 27%. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

If the Norwegian Corporate Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Non-Norwegian Shareholders

As a general rule, capital gains generated by Non-Norwegian Shareholders are not taxable in Norway unless the Non-Norwegian Shareholder holds the shares in connection with the conduct of a trade or business in Norway.

17.2.4 Controlled Foreign Corporation (CFC) taxation

Norwegian shareholders in the Company will be subject to Norwegian taxation according to the Norwegian Controlled Foreign Corporations regulations (Norwegian CFC-regulations) if Norwegian shareholders directly or indirectly own or control (hereinafter together referred to as "Control") 50% or more of the shares of the Company.

Under the Norwegian CFC-regulations Norwegian shareholders are subject to Norwegian taxation on their proportionate part of the taxable net income generated by the Company, calculated according to Norwegian tax regulations, regardless of whether or not any dividends are distributed from the Company.

17.2.5 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value equal to 1.2 million NOK and above. The value for assessment purposes for listed shares is equal to the listed value as at 1 January in the year of assessment.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Non-Norwegian Shareholders are generally not subject to Norwegian net wealth tax.

17.2.6 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

17.2.7 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

18 ADDITIONAL INFORMATION

18.1 Documents on display

Copies of the following documents will be available for inspection at the Company's registered office address at Williams House, 4th Floor, 20 Reid Street, Hamilton, HM 11, Bermuda, during normal business hours on Monday to Friday each week (except public holidays) for a period 12 months from the date of this Document:

- the memorandum of association and Bye-laws of the Company;
- The historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of this Document;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in this Document; and
- this Document.

18.2 Confirmation regarding sources

The information in this Document that has been sourced from third parties has been accurately reproduced and as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

18.3 Statement regarding expert opinions

Valuation on the Group's vessels included herein has been derived based on expert opinions from Grieg Shipbrokers and RS Platou ASA as reflected in the independent third party valuation reports dated 20 January 2015, and enclosed as Appendix V. The valuation reports have been produced on request from Eitzen Chemical in connection with the Listing. Both Grieg Shipbrokers and RS Platou ASA regularly assist companies, banks and financial institutions with valuation of commercial ships, see www.grieg.no and www.platou.no for more information with regard to experience and qualifications. Both Grieg Shipbrokers and RS Platou ASA have consented to their reports being included in this Document.

Grieg Shipbrokers and RS Platou ASA have no material interest in the Company.

18.4 Advisors

Certain legal matters in connection with the Exchange Offer and the Listing of the Team Tanker Ltd. Shares on Oslo Stock Exchange will be passed upon by Wikborg, Rein & Co Advokatfirma DA (Kronprinsesse Märthas pl. 1, NO-0160 Oslo, Norway) acting as Norwegian legal counsel to the Company, and by Conyers Dill & Pearman Limited (Clarendon House, 2 Church Street, Hamilton HM11, Bermuda) acting as special Bermuda legal counsel to the Company.

19 NORSK SAMMENDRAG

Sammendrag består av informasjon som skal gis i form av "Elementer". Elementene er nummerert i punktene A – E (A.1 – E.7) nedenfor. Dette sammendraget inneholder alle Elementer som skal være inkludert i et sammendrag for denne typeverdipapir og utsteder. Som følge av at enkelte Elementer ikke må beskrives, kan det være huller i nummereringen av Elementene. Selv om man kan være pålagt å innta et Element i sammendraget på grunn av typen verdipapir og utsteder, er det mulig at det ikke kan gis relevant informasjon knyttet til Elementet. I så fall er det inntatt en kort beskrivelse av Elementet i sammendraget sammen med benevnelsen "ikke aktuelt".

I dette norske sammendraget skal definerte ord og uttrykk (angitt med stor forbokstav) som er oversatt til norsk forstås i samsvar med tilsvarende engelskspråklige ord eller uttrykk slik disse er definert i det engelskspråklige Dokumentet. Noen eksempler på slike engelskspråklige motstykker til definerte ord og uttrykk som er oversatt til norsk er som følger: Med "Dokumentet" forstås "Document", med "Konsernet" forstås "Group" med "Selskapet" forstås "Company", med "Ombyttetilbudet" forstås "Exchange Offer", med "Offentlige Tilbudet" forstås "Retail Offer", med "Ansattetilbudet" forstås "Employee Offering", med "Vederlagsaksjene" forstås "Consideration Shares og med "Tilbudsaksjene" forstås "Offer Shares".

Avsnitt A – Introduksjon og advarsel

A.1	**Introduksjon og advarsel**	Dette sammendraget bør leses som en innledning til Dokumentet. Enhver beslutning om å investere i verdipapirene bør baseres på investorens vurdering av Dokumentet i sin helhet. Dersom et krav knyttet til informasjonen i Dokumentet fremsettes for en domstol, kan saksøkende investor, i henhold til nasjonal lovgivning i sitt Medlemsland, bli pålagt å dekke kostnadene med å oversette Dokumentet før rettsforhandlingene igangsettes. Sivilrettslig ansvar kan kun pådras for de personer som har satt opp sammendraget, herunder oversatt dette, men kun dersom sammendraget er misvisende, ikke korrekt eller usammenhengende når det leses i sammenheng med andre deler av Dokumentet eller dersom sammendraget, når det leses sammen med andre deler av Dokumentet, ikke gir nøkkelinformasjon som investorene behøver når de vurderer om de skal investere i slike verdipapirer.
A.2	**Samtykke til bruk av Dokumentet**	Ikke aktuelt. Selskapet har ikke gitt samtykke til bruk av Dokumentet for etterfølgende videresalg eller ved endelig plassering av Aksjene.

Avsnitt B – Utsteder

B.1	**Foretaksnavn**	Team Tankers International Ltd.

B.2	**Hjemstat og rettslig organisering, lovgiving og stiftelsesnavn**	Selskapet ble stiftet den 29. juli 2014 som et selskap med begrenset ansvar under Bermudas lover og i henhold til Bermuda Companies Act. Selskapet har registreringsnummer 49340.
B.3	**Eksisterende virksomhet, hovedaktiviteter og markeder**	Forut for gjennomføringen av Ombyttetilbudet, har Selskapet ikke drevet virksomhet. Etter gjennomføring av Ombyttetilbudet vil Selskapet bli øverste morselskap i Konsernet, og vil videreføre virksomheten som nå drives av Eitzen Chemical ASA. På datoen for dette Dokumentet, består Konsernets flåte av 47 kjemiske tankere i størrelsesorden fra 3.500 til 46.000 dødvekttonn (dwt). Antall tanker i skipene varierer fra 12 til 30, og flåten består av både skip med tanker i rustfritt stål og skip med innvendig malte tanker. Av eide og innleide skip på datoen for dette Dokumentet, har 27 skip innvendig malte tanker og 20 skip tanker i rustfritt stål. Basert på antallet skip og gjennomsnittlig flåtestørrelse basert på dødvekttonn, er Konsernet blant verdens 10 største operatører av kjemikalietankskip. Med en gjennomsnittlig skipsalder på mindre enn ti år, opererer Konsernet en ung og moderne flåte. Av de skipene som driftes av Eitzen Chemical, er 32 skip eiet av datterselskaper på Bermuda og i Singapore. 15 skip er leiet inn på tidscertepartier eller totalbefraktning, hvorav de fleste inneholder en kjøpsopsjon. Av selskapets innleide skip, er 6 skip klassifisert som finansielle leieavtaler, mens 9 skip er klassifisert som operasjonelle leieavtaler i Eitzen Chemicals regnskaper.
B.4a	**Vesentlige aktuelle trender som påvirker utsteder og industrien som utsteder opererer i**	Historisk sett har etterspørselen etter transport av kjemikalier og raffinerte oljeprodukter økt med en faktorverdi på 1,5 – 2,0 ganger økningen i bruttonasjonalprodukt (BNP). Verdens BNP er ifølge IMF World GDP forventet å øke med 3,5 prosent og 3,7 prosent i henholdsvis 2015 og 2016. Overflod av skifergass i USA er forventet å endre dynamikken innen sjøtransport av kjemikalier. USA har en konkurransemessig fordel ved at de produserer etylen-relaterte produkter brukt innenfor plastindustrien, og importerer først og fremst benzen fra Det Fjerne Østen. Det er forventet at Midtøsten oppjusterer sin produksjon av paraxylen og benzene, som vil bli eksportert til det Fjerne Østen og Europa. Det er videre forventet at gjennomsnittlig distanse for større kjemikalietankskip vil øke som følge av USAs oppsving i skifergassproduksjon, slik at økningen i tonnmil vil overstige økningen i ren etterspørsel. Spesielt er gjennomsnittlig distanse for skip som transporterer metanol ventet å øke. USA har historisk vært en nettoimportør av metanol fra Trinidad & Tobago. Dette er forventet å endre seg når nye produksjonsanlegg for metanol i USA-Golfen tas i bruk, da dette vil resultere i nettoeksport av amerikansk metanol fra USA. Trinidad og Tobago er forventet å begynne med langdistansetransport, først og fremst til Østen. Den nåværende ordreboken for kjemikalietankskip er på 5,7 millioner dødvekttonn, som tilsvarer omtrent 15 % av den eksisterende flåten. Antall ordre i forhold til eksisterende flåte steg kraftig fra fjerde kvartal 2013 og fortsatte inn i 2014. Antall nye kontrakter har siden det minsket. Flåteveksten er likevel generelt ventet å være moderat de kommende årene. Hovedårsaken til dette er strengere miljøkrav for både

avgasser og behandlingssystemer for ballastvann. Det siste vil kreve betydelige investeringskostnader og vil redusere tankskipskapasiteten på grunn av økt opphugging, først og fremst av eldre og mindre skip, hvor slike investeringer ikke er mulig.

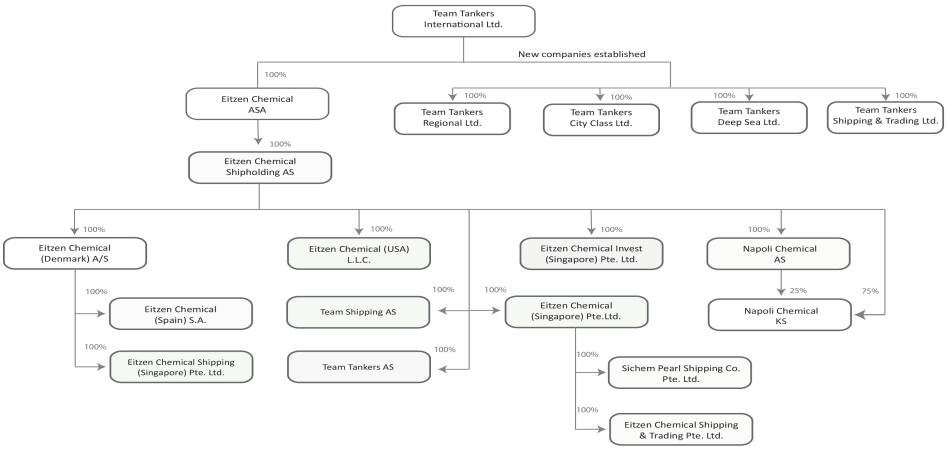
Det er forventet at kjemikalietankskipsmarkedet vil stige som en følge av høyere etterspørsel og en moderat tilbudsvekst, som vil lede til en høyere utnyttelse av kjemikalietankskipflåten og dermed også bedre rater i spotmarkedet.

B.5 **Beskrivelse av Konsernet**

På datoen for dette Dokumentet, er Team Tankers Ltd. eiet med 100 % av Eitzen Chemical. Team Tankers Ltd. har fire datterselskaper.

Eitzen Chemical er nåværende morselskap i Konsernet, og fungerer som et holding selskap. Konsernets virksomhet utføres av ulike datterselskaper. Eitzen Chemicals skip er eiet av datterselskaper på Bermuda og i Singapore. Samtlige datterselskaper, både utenlandske og norske, er direkte eller indirekte heleid av Eitzen Chemical.

Etter gjennomføringen av Ombyttetilbudet og Restruktureringen blir konsernstrukturen følgende:



B.6 **Meldepliktige stemmeretter**

Aksjeeiere som eier 5 prosent eller mer i Aksjene vil etter børsnoteringen ha et eierskap i Selskapets aksjekapital som er meldepliktig etter verdipapirhandelloven. Tabellen nedenfor viser eierinteressene til disse meldepliktige aksjeeierne i Eitzen Chemical per 28. januar 2015.

Aksjeeier	Antall aksjer	%
Angelo Gordon & Company	138,131,639	24.5
Solus Alternative Asset Management LP	118.741.754	21.1
GLG Partners Inc.	61.230.975	10.9
Barclays Capital Inc.	56.027.250	9.9
Cerberus European Capital Advisors LLP	50.234.383	8.9
Goldman Sachs Lending Partners LLC	32.332.522	5.7

	Ulike stemmeretter	Alle Team Tankers Aksjene har like stemmerettigheter.
	Kontroll	Per datoen for dette Dokumentet, er Eitzen Chemical Selskapets eneste aksjeeier. Etter gjennomføring av Ombyttetilbudet, vil Eitzen Chemical ikke lenger ha en kontrollerende andel av Team Tankers Aksjene. Selskapet kjenner ikke til noen arrangementer som på et senere tidspunkt kan medføre kontrollskifte i Selskapet.
B.7	**Utvalgt historisk finansiell nøkkelinformasjon**	Etter gjennomføringen av Ombyttetilbudet, vil virksomheten i Eitzen Chemical bli regnskapsført basert på kontinuitet med videreføring av bokførte verdier i Team Tankers Ltd. På denne bakgrunn har utvalgt historisk finansiell informasjon blitt hentet fra Eitzen Chemicals ureviderte konsoliderte delårsregnskaper per og for tre- og nimånedersperiodene avsluttet 30. september 2014 and 2013 (Delårsregnskapene) og Eitzen Chemicals reviderte konsoliderte regnskap per og for årene avsluttet 31. desember 2013, 2012 and 2011 (Regnskapene). Regnskapene har blitt utarbeidet i henhold til IFRS, som fastsatt av EU, og Delårsregnskapene har blitt utarbeidet i henhold til IAS 34. Som en konsekvens av nylige vesentlige endringer oppstått som en følge av implementeringen av PSAen, herunder Refinansieringen, vil ikke Regnskapene og Delårsregnskapene nødvendigvis gi en indikasjon på Konsernets fremtidige finansielle resultater, ettersom Konsernet har fått betydelig lavere gjeldsgrad. Den utvalgte konsoliderte finansielle informasjonen som presenteres her bør leses i sammenheng med, og er i sin helhet kvalifisert med henvisning til Regnskapene og Delårsregnskapene inntatt i henholdsvis Vedlegg I, Vedlegg II og Vedlegg III til Dokumentet, og bør dessuten leses i sammenheng med Kapittel 12 "Operating and Financial Review".

Konsolidert resultat

Beløp i NOK tusen	Tre måneder før 30. september		Ni måneder før 30. september		Regnskapsåret avsluttet 31. desember		
	2014	2013	2014	2013	2013	2012	2011
	(urevidert)	(urevidert)	(urevidert)	(urevidert)	(revidert)	(revidert)	(revidert)
Fraktinntekter	86 732	93 833	263 782	287 119	380 603	401 248	426 039
Reisekostnader	-40 660	-42 836	-125 262	-133 612	-176 589	-206 655	-225 465
Fraktinntekter på T/C-basis	**46 072**	**50 996**	**138 519**	**153 507**	**204 014**	**194 593**	**200 574**
Andre driftsinntekter	-	-	-	-	-	1 933	5 654
Driftsinntekter	**46 072**	**50 996**	**138 519**	**153 507**	**204 014**	**196 526**	**206 228**
Driftskostnader	-26 212	-26 495	-77 647	-81 763	-107 722	-119 356	-123 144
Hyrekostnader	-9 567	-8 812	-26 695	-19 410	-27 711	-20 713	-31 979
Administrative kostnader	-6 042	-5 648	-18 100	-16 453	-23 322	-22 944	-25 505
Driftsresultat (EBITDA)	**4 250**	**10 042**	**16 078**	**35 881**	**45 259**	**33 513**	**25 600**
Nedskrivninger	-1 521	-	-1 521	-	-	-70 391	-62 510
Avskrivninger og amortiseringer	-13 562	-13 554	-42 715	-42 145	-57 225	-64 779	-77 586
Gevinst/(tap) ved salg av eiendeler	-	-	-	-14 744	-16 741	-10 172	3 661
Resultat før finansposter og skatt (EBIT)	**-10 833**	**-3 512**	**-28 158**	**-21 008**	**-28 707**	**-111 829**	**-110 835**
Renteinntekter	3	2	6	8	11	92	453
Rentekostnader	-15 696	-14 329	-46 151	-44 102	-58 887	-46 976	-43 683
Andre finansposter	2 827	-531	-133	11 664	12 988	22 398	2 566
Resultat før skatt	**-23 700**	**-18 370**	**-74 436**	**-53 442**	**-74 595**	**-136 315**	**-151 499**
Skattekostnad	-	-9	-1	-4	-	-1	-2 530
Resultat for perioden	**-23 700**	**-18 379**	**-74 437**	**-53 442**	**-74 595**	**-136 316**	**-154 029**

Konsolidert totalresultat

Beløp i NOK tusen	Tre måneder før 30. september		Ni måneder før 30. september		Regnskapsåret avsluttet 31. desember		
	2014	2013	2014	2013	2013	2012	2011
	(urevidert)	(urevidert)	(urevidert)	(urevidert)	(revidert)	(revidert)	(revidert)
Resultat for perioden	**-23 700**	**-18 379**	**-74 437**	**-53 442**	**-74 595**	**-136 316**	**-154 029**
Aktuarielle gevinster/ (tap) på ytelsesplaner	-	-	-	-	-129	-	-
Poster som ikke vil bli reklassifisert til resultatet	**-**	**-**	**-**	**-**	**-129**	**-**	**-**
Omregningsdifferanser valuta	-51	22	-58	18	35	25	-625
Poster som kan bli reklassifisert til resultatet	**-51**	**22**	**-58**	**18**	**35**	**25**	**-625**
Sum utvidet resultat, netto etter skatt	**-51**	**22**	**-58**	**18**	**-94**	**25**	**-625**
Totalresultat, netto etter skatt	**-23 751**	**-18 357**	**-74 495**	**-53 424**	**-74 689**	**-136 291**	**-154 654**

Konsolidert balanse

Beløp i NOK tusen	Per 30. september	Per 31. desember		
	2014	2013	2012	2011
	(urevidert)	(revidert)	(revidert)	(revidert)
EIENDELER				

Skip	639 597	672 306	706 102	759 500
Skip holdt under finansielle leieavtaler	93 728	93 045	152 499	235 637
Andre varige driftsmidler	299	278	205	419
Andre anleggsmidler	1 029	2 058	3 347	2 000
Anleggsmidler	**734 652**	**767 687**	**862 153**	**997 556**
Kundefordringer og andre fordringer	40 839	50 675	50 951	62 375
Varebeholdning	14 817	17 325	16 681	20 457
Andre omløpsmidler	1 891	4 903	1 911	2 404
Kontanter og kontantekvivalenter	32 085	30 615	30 926	66 826
Omløpsmidler	**89 632**	**103 518**	**100 469**	**152 062**
Eiendeler holdt for salg	4 401	-	-	-
SUM EIENDELER	**828 685**	**871 204**	**962 622**	**1 149 618**
EGENKAPITAL OG GJELD				
Aksjekapital	148 037	148 037	148 037	148 037
Overkurs	20 550	20 550	20 550	20 550
Egne aksjer	-116	-116	-116	-116
Annen innskutt egenkapital	631 440	631 440	631 440	631 440
Sum innbetalt egenkapital	**799 911**	**799 911**	**799 911**	**799 911**
Opptjent egenkapital	-990 762	-916 326	-841 681	-705 365
Andre fond	9 602	9 660	9 625	9 600
Sum egenkapital	**-181 250**	**-106 754**	**-32 144**	**104 146**
Langsiktig gjeld	868 524	828 092	13 263	761 666
Forpliktelser under finansielle leieavtaler	74 115	55 113	140 149	186 587
Andre langsiktige forpliktelser	1 580	225	202	562
Sum langsiktige forpliktelser	**944 219**	**883 430**	**153 614**	**948 815**
Leverandørgjeld og annen kortsiktig gjeld	36 692	51 153	58 568	70 786
Kortsiktig andel av langsiktig gjeld	7 006	-	769 793	11 669
Kortsiktig andel forpliktelser under finansielle leieavtaler	15 099	42 849	12 380	13 406
Andre kortsiktige forpliktelser	6 918	526	411	796
Sum kortsiktige forpliktelser	**65 715**	**94 528**	**841 152**	**96 657**
Sum forpliktelser	**1 009 934**	**977 958**	**994 766**	**1 045 472**
SUM EGENKAPITAL OG GJELD	**828 685**	**871 204**	**962 622**	**1 149 618**

Konsolidert kontantstrømoppstilling

Beløp i NOK tusen	**Ni måneder før 30. september**		**Regnskapsåret avsluttet 31. desember**		
	2014	**2013**	**2013**	**2012**	**2011**
	(urevidert)	(urevidert)	(revidert)	(revidert)	(revidert)
Netto kontantstrøm fra driftsaktiviteter	19 819	24 762	39 537	36 211	16 822
Netto kontantstrøm fra investeringsaktiviteter	-12 694	-8 386	-16 703	-8 760	-16 561
Netto kontantstrøm fra finansieringsaktiviteter	-6 331	-18 542	-23 341	-63 759	-4 191
Kontanter og kontantekvivalenter per periodestart	**30 615**	**30 926**	**30 926**	**66 826**	**72 121**
Kontanter og kontantekvivalenter per periodeslutt	**32 085**	**28 911**	**30 615**	**30 926**	**66 826**

		I tillegg til Regnskapene og Delårsregnskapene, har Selskapet utarbeidet revidert regnskap for perioden fra stiftelse (29. juli 2014) og frem til 31. desember 2014 (Team Tankers Ltd. Regnskaper). Team Tankers Ltd. har blitt utarbeidet i henhold til IFRS.
B.8	**Utvalgt pro forma finansiell nøkkel-informasjon**	Ikke aktuelt. Det er ikke utarbeidet pro forma finansiell informasjon.
B.9	**Resultatprognose eller estimat**	Ikke aktuelt. Det er ikke utarbeidet noen resultatprognose eller estimat.
B.10	**Forbehold i revisjonsrapport**	Revisjonsrapporten for Team Tankers Ltd. Regnskaper inneholder ingen forbehold. Revisjonsrapporten knyttet til Regnskapene for regnskapsåret avsluttet 31. desember 2013 inneholdt følgende presisering[8]: *Uten at det har betydning for vår konklusjon, henviser vi til styrets årsberetning og noter til konsernregnskapet som redegjør for fortsatt drift forutsetningen. Både morselskapet og konsernet har negativ egenkapital per 31.12.2013, avtalen med långiverne danner grunnlaget for fortsatt drift. Dette forholdet har ingen betydning for vår konklusjon om regnskapet.* Revisjonsrapporten knyttet til Regnskapene for regnskapsåret avsluttet 31. desember 2012 inneholdt følgende presisering[1]: *Uten at det har betydning for vår konklusjon, henviser vi til styrets årsberetning og noter til konsernregnskapet som redegjør for fortsatt drift forutsetningen. Både morselskapet og konsernet har negativ egenkapital per 31.12.2012, avtalen med långiverne danner grunnlaget for fortsatt drift. Dette forholdet har ingen betydning for vår konklusjon om regnskapet.* Revisjonsrapporten knyttet til Regnskapene for regnskapsåret avsluttet 31. desember 2011 inneholdt følgende presisering[1]: *Uten at det har betydning for vår konklusjon, henviser vi til styrets årsberetning og notene 23 og 24 i konsernregnskapet som indikerer at det foreligger en vesentlig usikkerhet knyttet til fortsatt drift grunnet vesentlig usikkerhet knyttet til selskapets evne til å overholde sine finansielle forpliktelser. Vi henviser også til note 12 i konsernregnskapet og note 6 i selskapsregnskapet som indikerer at skipsverdier og aksjer i døtre er basert på bruksverdi og ikke reflekterer verdiforringelse eller tap hvis selskapets eiendeler blir solgt i det nåværende markedet. Disse forholdene har ingen betydning for vår konklusjon om regnskapet.*

[8] Teksten er en oversettelse av de engelske revisjonsrapportene.

B.11	**Utilstrekkelig arbeidskapital**	Ikke aktuelt. Selskapet er av den oppfatning at arbeidskapitalen som er tilgjengelig for Konsernet er tilstrekkelig for Konsernets nåværende behov, for en periode som dekker minst 12 måneder fra datoen for Dokumentet.

Avsnitt C – Verdipapirene

C.1	**Type og klasse verdipapir og ISIN**	Vederlagsaksjene og Tilbudsaksjene er aksjer i Selskapet med ISIN BMG870871057. Samtlige av aksjene er i samme aksjeklasse og har like rettigheter. Vederlagsaksjene og Tilbudsaksjene vil registreres i VPS.
C.2	**Valuta**	Aksjenes pålydende er i USD, man Vederlagsaksjene og Tilbudsaksjene vil bli notert og handlet i NOK på Oslo Børs, alternativt Oslo Axess.
C.3	**Antall aksjer utstedt og pålydende verdi**	Per datoen for dette Dokumentet er Selskapets autoriserte aksjekapital USD 1.000.000 bestående av 100.000.000 Aksjer, hver pålydende USD 0,01, hvorav 1.000.000 Aksjer er utstedt.
C.4	**Rettigheter knyttet til verdipapirene**	I henhold til Vedtektene har eierne av Aksjene ingen forkjøpsrett, innløsningsrett, konverteringsrett eller såkalte "sinking fund" rettigheter. Eierne av Aksjene er berettiget til å stemme en gang per Aksje i alle saker som skal forelegges aksjeeierne for avstemning. I henhold til Bermuda rett har et selskap ikke adgang til å fastsette eller utbetale utbytte dersom det er rimelig grunn til å tro at: (i) selskapet er, eller etter utbetalingen av utbyttet vil være, ute av stand til å gjøre opp sine forpliktelser etter hvert som de forfaller; eller (ii) den realiserbare verdien av selskapets eiendeler deretter ville blitt mindre enn dets forpliktelser. I henhold til Selskapets Vedtekter har hver Aksje rett til utbytte på det tidspunkt utbytte fastsettes av Styret.
C.5	**Begrensninger i verdipapirenes omsettelighet**	Selskapets aksjer er fritt omsettelige. Se Avsnitt 4.1 – "Selling Restrictions" og Avsnitt 4.2 – "Transfer Restrictions" for beskrivelse av begrensninger på salg og overføring av aksjene i særskilte jurisdiksjoner.
C.6	**Opptak til notering**	Den 28. januar 2015 søkte Selskapet om notering av samtlige utstedte Aksjer på Oslo Børs, alternativt på Oslo Axess. Selskapet forventet at styret i Oslo Børs godkjenner noteringssøknaden den 25. februar 2015, betinget av at enkelte vilkår oppfylles. På nåværende tidspunkt forventer Selskapet oppstart av handel i Aksjene på Oslo Børs, alternativt på Oslo Axess, på eller rundt 5. mars 2015. Selskapet har ikke søkt om notering av Aksjene på noen annen børs eller regulert marked.

C.7	**Dividend policy**	Selv om Selskapet ikke har utbetalt utbytte etter stiftelse, og det ikke er forventet at utbytte vil utbetales i et kortsiktig perspektiv, er målet for Selskapet å gi en attraktiv langsiktig avkastning for å gjøre Selskapet til en interessant investering. Aksjeeierens avkastning består av utbetaling av utbytte og kursstigning. Selskapet tar sikte på å betale et stabilt, og helst økende utbytte over tid, forutsatt at Konsernets resultater og fremtidige investeringsbehov blir hensyntatt.

Avsnitt D – Risiko

D.1	**Vesentlige risiki knyttet til Selskapet eller dets bransje**	**Risiki knyttet til Utflyttingen og Restruktureringen** • Selskapet er inkorporert på Bermuda og aksjeeieres rettigheter etter Bermuda lov kan avvike fra de rettigheter aksjeeiere ellers ville hatt etter de rettsregler som gjelder i andre jurisdiksjoner. • Selskapets Vedtekter inneholder bestemmelser som medfører et "staggered board" som kan anses for å innebære begrensninger i en overtakelsessituasjon. • Selskapets vedtatte og utbetalte utbytte kan være underlagt skatt i henhold til nasjonal lovgivning i aksjeeierens hjemstat. • Mulig ny eller endret Bermuda lovgivning kan føre til skattelegging på Bermuda. • Selskapets Vedtekter begrenser Selskapets aksjeeiere fra å gå til sak mot Selskapets styremedlemmer og ledere. **Risiki knyttet til bransjen Konsernet opererer i:** • Tankskipsmarkedets sykliske karakter kan føre til volatile endringer i befraktningsrater, noe som kan påvirke Konsernets inntekter og skipsverdier negativt. • Sjøtransport er risikabelt, og en hendelse som innebærer vesentlig tap av produkter eller forurensning fra Konsernets skip kan skade Konsernets rykte og virksomhet. • Til tross for at den finansielle restruktureringen har vesentlig styrket Konsernets finansielle posisjon vil en nedgang i den globale økonomien kunne ha en betydelig negativ innvirkning på Konsernets virksomhet, finansielle stilling og driftsresultater. • Et betydelig antall nye kjemiske tankere er bestilt, noe som kan føre til en nedgang i fraktrater og dermed en betydelig negativ innvirkning på Konsernets virksomhet, finansielle stilling og driftsresultater.

- Prisøkning på bunkerolje og andre driftskostnader kan få en betydelig negativ innvirkning på Konsernets virksomhet, finansielle stilling og driftsresultater.

- Konsernets drift kan påvirkes av politisk, statlig eller økonomisk ustabilitet som kan ha en betydelig negativ innvirkning på Konsernets virksomhet.

- Shippingindustrien er underlagt omfattende miljømessige- og andre reguleringer, som kan medføre betydelige begrensinger på Konsernets virksomhet samt økte kostnader.

Risiki knyttet til Konsernets virksomhet

- Konsernets inntekter og virksomhet er gjenstand for risiko knyttet til kontraktsmotparter, da manglende betaling eller øvrige kontraktsbrudd fra kontraktsmotparter, som medfører at disse ikke oppfyller sine forpliktelser, vil kunne medføre tap for Konsernet og ha en betydelig negativ innvirkning på Konsernets virksomhet.

- Markedsverdien av Konsernets aktuelle skip, samt skip som anskaffes i fremtiden, kan synke, noe som blant annet kan medføre at Konsernet ikke lenger oppfyller sine lånevilkår eller at Konsernet pådrar seg tap dersom de velger å selge skipene etter en nedgang i markedsverdien.

- Konsernets drifts- og vedlikeholdskostnader vil ikke nødvendigvis fluktuere i samsvar med endringer i driftsinntektene.

- Konsernets virksomhet er underlagt en rekke operasjonelle farer og Konsernets forsikringer vil ikke nødvendigvis dekke tap i tilstrekkelig grad.

- Konsernets skip er utsatt for teknisk risiko samt dødtid og off-hire.

- Konsernet kan bli involvert i rettstvister som vil kunne ha en betydelig negativ innvirkning på Konsernets virksomhet.

- Lover og regler kan blant annet hindre eller forsinke Konsernets drift, høyne Konsernets kostnader, redusere etterspørselen for dets tjenester samt begrense dets mulighet til å drifte sine skip.

- En endring i skattereglene i de jurisdiksjoner hvor Konsernet til enhver tid driver virksomhet, eller kompleks skattelovgivning knyttet til internasjonal virksomhet som forplikter selskapet Konsernet, kan medføre høyere skattekostnader eller høyere effektiv skattesats på Konsernets inntekter.

- Et tap i en stor skattetvist mot Konsernets til enhver tid gjeldene operasjonelle struktur eller øvrige tvister knyttet til Konsernets skattebetalinger kan medføre høyere skattesats på Konsernets inntekter.

- Konsernets eksisterende eller fremtidige lånefasiliteter kan begrense Konsernets likviditet dets fleksibilitet til å få ytterligere finansiering, samt begrense Konsernets muligheter til å satse på nye forretningsmuligheter eller selskapsaktiviteter, eller Selskapets muligheter til å vedta utbytte til sine aksjeeiere.

- Endringer i valutakursen og manglende mulighet for å kunne konvertere utgifter vil kunne ha innvirkning på Konsernets kontantstrømmer og finansielle stilling.

- Endringer i rentesatser vil kunne ha innvirkning på Konsernets kontantstrømmer og finansielle stilling.

D.3	**Vesentlige risiki knyttet til Verdi-papirene**	• Prisen på Aksjene kan svinge betydelig som en følge av ulike faktorer, herunder faktorer som er utenfor Selskapets kontroll. • Mulige fremtidige salg av en vesentlig andel av Aksjene vil kunne ha innvirkning på Aksjenes markedspris. • Fremtidige utstedelser av Aksjer eller andre verdipapirer vil kunne utvanne eksisterende aksjeeiere og vil kunne ha en betydelig innvirkning på den fremtidige prisen på Aksjene. • Svingninger i valutakurser kan ha en betydelig negativ innvirkning på verdien på Aksjene og utdelt utbytte på Aksjene for en investor som ikke har NOK som sin hovedvaluta. • Investorer kan være ute av stand til å utøve sine stemmerettigheter for Aksjer registrert på en forvalterkonto. • Overdragelse av Aksjer er gjenstand for restriksjoner i henhold til verdipapirregler i USA og i andre jurisdiksjoner. • Selskapet kan være i en posisjon hvor det ikke er i stand til eller er uvillig til å utdele utbytte i fremtiden.

Avsnitt E – Ombyttetilbudet

E.1	**Nettoproveny og estimerte kostnader**	Selskapet vil ikke motta proveny fra Ombyttetilbudet. De totale kostnadene og utgiftene til Ombyttetilbudet, det Offentlige Tilbudet og Noteringen som skal dekkes av Team Tankers Ltd er anslått til ca. NOK 6 millioner.
E.2a	**Bakgrunnen for Ombyttetilbudet og bruk av provenyet**	Gjennom Ombyttetilbudet, planlegger Konsernet en redomisilering til Bermuda (Utflyttingen). Formålet med Utflyttingen er å opprette en selskapsstruktur som reflekterer Selskapets nye eierstruktur etter Gjeldskonverteringen. Shippingbransjen er en global og sterkt konkurranseutsatt bransje. Derfor er det viktig at Konsernet blir driftet under fordelaktig, stabil og forutberegnelig lovgivning og reguleringer.

Ombyttetilbudet fremsettes i Konsernets og aksjeeiernes langsiktige interesse, som en ukomplisert og transparent måte å flytte ut Konsernets holdingselskap.

I bytte for utstedelse av Aksjene i Ombyttetilbudet, vil Selskapet motta Eitzen Chemical Aksjer. Selskapet vil ikke motta proveny i forbindelse med Ombyttetilbudet.

E.3 **Vilkår for Ombyttetilbudet**

Under følger et sammendrag av vilkårene og den planlagte tidsplanen for Ombyttetilbudet.

Akseptperiode	Fra og med 30. januar 2015 kl. 09.00 (CET) til og med 28. februar 2015 kl. 06.00 (CET).
Utstedelse av aksjene	På eller omkring 5. mars 2015
Første noteringsdag på Oslo Børs, alternativt på Oslo Axess	På eller omkring 9. mars 2015

Eitzen Chemical Aksjeeiere som aksepterer Ombyttetilbudet vil motta 1 aksje i Team Tankers Ltd. for 3 aksjer i Eitzen Chemical. Dette representerer en verdi tilsvarende NOK 4,89 for hver Eitzen Chemical Aksje, basert på sluttkursen på Oslo Børs 28. januar 2015.

Tilbyder forbeholder seg retten til å øke tilbudsprisen, forutsatt at dette godkjennes av Oslo Børs. En økning i tilbudsprisen vill annonseres innen utløpet av Tilbudsperioden, slik beskrevet i Avsnitt 5.16 av dette Dokumentet.

Tilbyders forpliktelse til å gjennomføre Ombyttetilbudet er betinget av at følgende vilkår oppfylles:

1. Antallet Eitzen Chemical Aksjer som er lovlig tilbudt til Team Tankers Ltd. i tilknytning til Ombyttetilbudet utgjør mer enn 99,5 prosent av utstedt aksjekapital og stemmerettigheter i Eitzen Chemical;
2. Styret i Oslo Børs godkjenner Team Tankers Ltd. sin søknad om notering på Oslo Børs, alternativt på Oslo Axess, og samtlige vilkår for notering på Oslo Børs, eller på Oslo Axess, vil bli oppfylt ved gjennomføring av Ombyttetilbudet;
3. Alle tillatelser og godkjennelser som påkrevet av relevante offentlige myndigheter for gjennomføringen av Ombyttingsilbudet skal ha blitt innhentet på vilkår som er akseptable for Tilbyder, og;
4. Eitzen Chemical skal ha fått nødvendige godkjennelser og/eller fritak fra tredjeparter for å utføre Ombyttetilbudet uten betydelig negativ innvirkning for Eitzen Chemical eller dets datterselskapet, uten vilkår eller på vilkår som er tilfredsstillende for Team Tankers Ltd. etter eget skjønn.

Tilbyder forbeholder seg retten til å frafalle vilkårene i nr. 1, 3 og 4 delvis eller i sin helhet. Så snart hvert av vilkårene er oppfylt, frafalt eller dersom

		slikt vilkår ikke lenger kan oppfylles, skal Tilbyder uten opphold kunngjøre dette i henhold til prosedyren som fremgår av punkt 5.16 "Announcements and amendments to the Exchange Offer". Dersom Ombyttetilbudet ikke er gjennomført innen 15. mars 2015 kl. 16.30 (Bortfallsdatoen), vil Ombyttetilbudet ikke gjennomføres og aksjeeiere som har tilbudt sine aksjer Eitzen Chemical Aksjer vil bli fritatt fra sine aksepter under Ombyttetilbudet. Selskapet vil ikke betale rente til aksjeeiere i perioden mellom utløpet av Tilbudsperioden og Bortfallsdatoen.
E.4	**Vesentlige om motstridende interesser**	Formålet med Ombyttetilbudet og Utflyttingen (som beskrevet i Avsnitt 7.1) er å etablere en selskapsstruktur som reflekterer Eitzen Chemicals nye eierstruktur etter gjennomføring av gjeldskonverteringen. Det er derfor i aksjeeiernes interesse at Ombyttetilbudet gjennomføres.
E.5	**Selgende aksjeeiere og bindingsavtaler**	Selskapet har mottatt ugjenkallelige forhåndsaksepter av Ombyttetilbudet fra långiverne som deltar i gjeldskonverteringen, som sikrer en akseptgrad på 98 prosent. I tillegg har Jason Shipping AS forhåndsakseptert Ombyttetilbudet for sine 3,835,119 Eitzen Chemical Aksjer. Tilbyder har altså mottatt forhåndsaksepter av Ombyttetilbudet for totalt 556.071.195 Eitzen Chemical Aksjer, tilsvarende ca. 98,68 prosent at utstedte Eitzen Chemical Aksjer og stemmerettigheter. Aksjeeiere som har avgitt forhåndsaksept har forpliktet seg til å avgi utfylt og signert akseptblankett i løpet av Tilbudsperioden, samt kun å selge sine Eitzen Chemical Aksjer til tredjepersoner som er underlagt forhåndsakseptene og PSAen. Forhåndsakseptene vil bortfalle dersom Ombyttetilbudet ikke gjennomføres innen 15. mars 2015. Utenom forhåndsakseptene som er mottatt i tilknytning til Ombyttetilbudet, er det ikke inngått noen bindingsavtaler knyttet til Selskapets Aksjer.
E.6	**Utvanning som følge av Ombyttetilbudet**	Samtlige 1.000.000 Team Tankers Aksjer som eies av Eitzen Chemical vil holdes som "egne aksjer" av Eitzen Chemical, og vil derfor ikke inngå i beregningen av utstedt aksjekapital i Team Tankers Ltd. Forutsatt at samtlige Eitzen Chemical Aksjeeiere tilbyr sine Eitzen Chemical Aksjer i Ombyttetilbudet, vil aksjeeiersammensetningen i Team Tankers Ltd tilsvare aksjeeiersammensetningen i Eitzen Chemical ved utløpet av tilbudsperioden. Dersom en Eitzen Chemical Aksjeeier ikke tilbyr sine Eitzen Chemical Aksjer i Ombyttetilbudet, og Ombyttetilbudet gjennomføres, vil sli Eitzen Chemical Aksjeeier risikere å bli tvangsutløst, slik det er beskrevet i Avsnitt 5.19 "Compulsory acquisition".

E.7	**Estimerte kostnader som vil kreves av investorene**	Ikke aktuelt. Aksjeeiere som aksepterer Ombyttetilbudet må ikke betale meglerhonorar i forbindelse med innsendelse av Akseptblanketten til Oppgjørsagenten. Dersom aktuelt, vil Tilbyder dekke kostandene forbundet med overføring i VPS som er direkte konsekvenser av Tilbyders aksept av Ombyttetilbudet. Tilbyder vil ikke dekke andre kostander som en aksjeeier i Eitzen Chemical pådrar seg i forbindelse med aksept av Ombyttetilbudet.

Avsnitt E – Tilbudet

E.1	**Nettoproveny og estimerte kostnader**	Selskapets forventede nettoproveny fra Tilbudet er NOK 3,9 millioner. De totale kostnadene og utgiftene knyttet til Tilbudet som vil dekkes av Selskapet er anslått til NOK 6 millioner.
E.2a	**Bakgrunnen for Tilbudet og bruk av provenyet**	For å bli godkjent for Notering på Oslo Børs, må Selskapet blant annet oppfylle kravet om å ha minst 500 aksjeeiere som hver eier aksjer til en verdi over NOK 10.000. For å oppfylle dette vilkåret, planlegger Selskapet å gjennomføre Tilbudet. Nettoprovenyet fra Tilbudet vil først og fremst benyttes til alminnelige selskapshandlinger.
E.3	**Vilkår for Tilbudet**	Tilbudet består av: • Et Offentlige Tilbud av det antall Tilbudsaksjer som tilsvarer bruttoproveny på opp til NOK 3 millioner, hvor Tilbudsaksjer tilbys til allmennheten i Norge, med en nedre grense per bestilling på NOK 12.500 og en øvre grense per bestilling på NOK 25.000 for hver investor. Investorer i det Offentlige Tilbudet vil få en rabatt på NOK 1.500. • En Ansattetransje, hvor Tilbudsaksjer tilbys til Selskapets managementselskaper som vil levere Tilbudsaksjene til sine ansatte som bonus i samsvar med interne retningslinjer. Gjennomføring av Tilbudet er betinget av at Ombyttetilbudet, som beskrevet i kapittel 5 av dette Dokumentet, gjennomføres. Gjennomføring av Tilbudet på de vilkår som fremgår av dette Dokumentet er ellers kun betinget av at styret i Selskapet beslutter å utstede Tilbudsaksjene. Styret kan, etter eget skjønn, beslutte å utstede Tilbudsaksjer som gir et lavere netto proveny enn NOK 3 millioner, uavhengig av om Tilbudet er fulltegnet, samt kansellere Ansattetransjen. Tilbudsprisen for Tilbudsaksjene i det Offentlige Tilbudet vil tilsvare 3 ganger (dvs. tilsvarende som bytteratioen i Ombyttetilbudet) volumvektet

		gjennomsnittskurs for Eitzen Chemical Aksjen i de siste fem virkedagene av den Offentlige Tilbudsperioden. Bestillinger av Tilbudsaksjer i det Offentlige Tilbudet vil bli akseptert i perioden fra og med kl. 09.00 CET den 30. januar 2015 til og med kl. 16:30 CET den 27. februar 2015 (den "Offentlige Tilbudsperioden"). Selskapet forbeholder seg retten til å forlenge den Offentlige Tilbudsperioden på ethvert tidspunkt, avhengig av antall og størrelse på de mottatte Bestillingene. Alle Bestillinger av Tilbudsaksjer i det Offentlige Tilbudet må fremsettes i løpet av den Offentlige Tilbudsperioden på særskilt Tegningsblankett, vedlagt dette Dokumentet som vedlegg VII. Tegningsblanketten må utfylles, signeres og returneres til Oppgjørsagenten før utløpet av den Offentlige Tilbudsperioden den 27. februar 2015 kl. 16.30 (CET). Tegningsblanketten kan sendes per faks, post, e-post eller ved fysisk overlevering. Samtlige Bestillere som blir tildelt Tilbudsaksjer i det Offentlige Tilbudet vil, på eller rundt 2. mars 2015, motta et brev som bekrefter antallet tildelte Tilbudsaksjer samt betalingsinformasjon. Forfallsdatoen for betaling av Tilbudsaksjene vil være på eller rundt 4. mars 2015. Det er forventet at Tilbudsaksjene vil leveres til bestillerens VPS-konto på eller rundt 5. mars 2015.
E.4	**Vesentlige og motstridende interesser**	Selskapet er ikke kjent med noen interesser fysiske eller juridiske personer involvert i Tilbudet har.
E.5	**Selgende aksjeeiere og bindingsavtaler**	Ikke aktuelt.
E.6	**Utvanning som følge av Tilbudet**	Forutsatt en utstedelse av opp til 265,848 Tilbudsaksjer i Tilbudet (antatt at prisen i tilbudet er tre ganger sluttkurs på Eitzen Chemical Aksjen på Oslo Børs 28. januar 2015), og at samtlige Eitzen Chemical Aksjeeiere aksepterer Ombyttetilbudet, vil Tilbudet medføre en umiddelbar utvanning på 0,047 % prosent.
E.7	**Estimerte kostnader som vil kreves av investorene**	Ikke aktuelt. Kostnadene knyttet til Tilbudet vil bli dekket av Selskapet.

20 DEFINITIONS AND GLOSSARY OF TERMS

2010 PD Amending Directive	Directive 2010/73/EU amending the EU Prospectus Directive.
Bareboat	A leasing arrangement for the hire of an empty vessel. The actual possession of the vessel is transferred from the owner to the charterer, and the charterer is responsible for all operating expenses of the vessel.
Bermuda Companies Act	The Companies Act 1981 of Bermuda.
Board of Directors or Board	The board of directors of Team Tankers International Ltd.
Business Day	Any day except a Saturday, Sunday or any other day on which commercial banking institutions in Norway are not open for general business.
Bye-laws	The bye-laws of Team Tankers International Ltd.
Camillo Eitzen & Co	Camillo Eitzen & Co ASA.
CET	Central European time.
Charter	The hiring of a vessel, or use of its carrying capacity, for either (i) a specified period of time (T/C) or (ii) a specific voyage or set of voyages.
Classification Society	An independent organization, which certifies that a vessel has been built and maintained in accordance with the rules and regulations of such organization. The organization also may agree with agencies of countries in which a vessel is registered or trades to perform services to assist such agencies, including assuring that the vessel complies with conventions of which that country is a member.
CLC	The International Convention on Civil Liability for Oil Pollution Damage, 1969, as amended.
CoA	Contract of Affreightment. Under a CoA, the ship-owner provides capacity to transport a certain amount of cargo within a specified period from one place to a destination designated by the customer. All of the ship's operating, voyage and capital costs are borne by the shipowner. The freight rate normally is agreed on a per cargo ton basis. The freight rate can be fixed or floating, or a combination of both.
Company or Team Tankers Ltd.	Team Tankers International Ltd.
Consideration Shares	The new shares in the Company issued in connection with the Exchange Offer.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, dated 30 October 2014.
CPP	Clean petroleum products
Document	This document comprising the Exchange Offer and the prospectus.
Drydocking	The removal of a vessel from the water for inspection and/or repair of submerged parts.
DWT	Dead-weight ton
EBITDA margin	EBITDA / freight income on TC basis
EEA	The European Economic Area.
Eitzen Chemical	Eitzen Chemical ASA
Eitzen Chemical Shares	Shares in Eitzen Chemical ASA
Eitzen Chemical Shareholders	Shareholders in Eitzen Chemical ASA
Equity ratio	Total equity / total loss
EU	The European Union
EU Prospectus Directive	Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in each Relevant Member State), and any relevant implementing

	measure in the Relevant Member State.
EUR	The lawful common currency of the EU member states who have adopted the Euro as their sole national currency.
Exchange Offer	The voluntary offer made by Team Tankers Ltd. to acquire all of the issued and outstanding Eitzen Chemical Shares against a consideration of Team Tankers Shares, as further described in this Document.
Exchange Offer Acceptance Form	The form of acceptance to be distributed to and used by Eitzen Chemical Shareholders when accepting the Exchange Offer. The Exchange Offer Acceptance Form is enclosed as Appendix VI to this Document.
Executive Management	The executive management of the Group.
Fleet	The vessels the Group owns, partly owns and/or operates and as of 28 January 2015, consisting of 47 vessels.
Forward Looking Statements	Information and statements based on the current, estimates and projections of the Company or assumptions based on the information currently available to the Company.
Freight rate	A rate paid on spot voyage, CoA or time charter.
FSMA	Financial Services and Markets Act
GDP	Gross domestic product
GHG	Greenhouse gases
Group	Eitzen Chemical ASA together with its consolidated subsidiaries. Following the completion of the Exchange Offer, all references to the "Group" include Team Tankers International Ltd. together with its consolidated subsidiaries, including Eitzen Chemical ASA.
HNS Convention	The International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious substances by Sea
Hull	The shell or body of a vessel.
IAS 34	International Accounting Standard 34 "Interim Financial Reporting".
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IMO	International Maritime Organisation
Interest Coverage Ratio	EBIT / Interest Expense
ISM Code	The International Maritime Organization's Management Code for the Safe Operation of Ships and Pollution Prevention.
ISPS Code	The International Ship and Port Facilities Security Code.
SSC	The International Ship Security Certificate.
Listing	The listing and trading of the Company's shares on Oslo Stock Exchange, alternatively on Oslo Axess.
MLC	The International Labour Organization's Maritime Labour Convention of 2006
New Financing	A new credit facility in the amount of USD 100 million
NOK	Norwegian Kroner, the lawful currency in Norway.
Nordea	Nordea Bank Norge ASA
Norwegian FSA	The Financial Supervisory Authority of Norway.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 ("Verdipapirhandelloven").
NOX	Mono-nitrogen oxides
Offering	The offer of the shares in the Company in a retail offering to the public in Norway

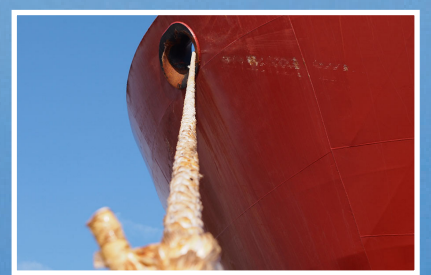
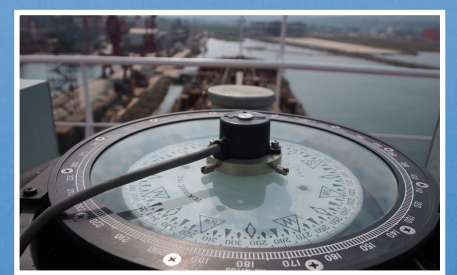
	subject to a minimum application amount of NOK 12,500 and a maximum application amount of NOK 25,000, where each investors will receive a discount of NOK 1,500 (the "**Retail Offering**"), and an employee offering to certain management companies of Eitzen Chemical.
Offering Acceptance Form	The form of acceptance to be distributed to and used by retail investors when accepting the Offering. The Offering Acceptance Form is enclosed as Appendix VII to this Document.
Offer Period	The period from and including 30 January 2015 at 09:00 CET to and including 28 February 2015 at 06:00 CET, and any extension thereof as specified by Team Tankers pursuant to the terms of the Exchange Offer.
Offer Price	One Team Tankers Share in the exchange for three Eitzen Chemical Shares.
Offeror	Team Tankers International Ltd., an exempted limited liability company organized and existing under the laws of Bermuda.
Off-hire	The time during which a vessel is not available for service.
PSA	A plan support agreement regarding financial restructuring of Eitzen Chemical's debt entered into on 22 December 2014 between Eitzen Chemical, Eitzen Chemical's largest shareholder representing more than 34% of the shares in Eitzen Chemical, and lenders under existing loan facilities.
P&I insurance	Protection and indemnity insurance obtained through a mutual association formed by shipowners to provide liability insurance protection from large financial loss to one member through contributions towards that loss by all members.
QIB	Qualified Institutional Buyer, as defined in Rule 144A under the U.S. Securities Act.
Receiving Agent	ABG Sundal Collier Norge ASA
Refinancing	A new credit facility in the amount of USD 100 million
Relevant Implementation Date	The date on which the EU Prospectus Directive is implemented in that Relevant Member State.
Relevant Member State	Each member state of the EEA which has implemented the EU Prospectus Directive.
Scrapping	The disposal of an old or damaged vessel by way of sale as scrap metal.
SEB	Skandinaviska Enskilda Banken AB
Settlement	The issuance of Team Tankers Shares to tendering Eitzen Chemical Shareholders against the transfer of Eitzen Chemical ASA Shares to Team Tankers Ltd.
SGD	Singapore Dollars, the lawful currency in Singapore.
SOLAS	The International Convention for the Safety of Life at Sea.
SOX	Sulphur
Spot market	The market for chartering a vessel for single voyages on the basis of current market levels.
Target	Eitzen Chemical ASA, a public limited liability company, organized and existing under the laws of Norway.
T/C	Time-charter
Team Tankers Ltd.	Team Tankers International Ltd.
Team Tankers Shareholders	Shareholders in Team Tankers Ltd.
Team Tankers Shares	Shares in Team Tankers Ltd.
USD	United States Dollars, the lawful currency in the United States.
U.S. Securities Act	The Securities Act of 1933, as amended.
U.S. Exchange Act	The U.S. Securities Exchange Act of 1934, as amended.
VPS	Verdipapirsentralen (Norwegian Central Securities Depository), which organizes the

	Norwegian paperless securities registration system.
VPS account	An account with VPS for the registration of holdings of securities.
VPS Registrar	Nordea Bank Norge ASA

APPENDIX I

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF EITZEN CHEMICAL ASA AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012

Eitzen Chemical ASA

Annual Report 2013

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Description of Eitzen Chemical

Overview of Eitzen Chemical

Eitzen Chemical ASA *("Eitzen Chemical" or "the Company")* is a leading marine chemical and related products transportation company with a sailing fleet of 49 vessels as of year-end 2013. The Company transports a wide variety of cargoes such as organic chemicals, non-organic chemicals, clean and dirty petroleum products, vegetable oils and lube oils. The fleet consists of coated and stainless steel vessels ranging from 3,500 to 48,000 dwt, primarily designed for the transport of IMO II classified chemical cargoes. The vessels are employed in the spot market or chartered out through time charter agreements or Contracts of Affreightment (CoAs).

The fleet comprises 49 vessels, of which 36 are owned, 6 are on financial lease and 7 are on operational lease. Eitzen Chemical operates one of the industry's most modern chemical tanker fleets with an average age of less than nine years for the owned and leased vessels.

The vessels are commercially operated through offices in Denmark, Spain, USA and Singapore. The commercial offices communicate on a common IT platform, which includes global voyage management and communication systems to ensure that commercial activities are co-ordinated and optimised between the various commercial offices. The technical management of the owned vessels is handled by Selandia, V.Ships and Thome Ship Management. Eitzen Chemical has a global presence as illustrated in the figure below.

Eitzen Chemical's vision, mission and core values

Eitzen Chemical has a clearly defined vision and mission statement and a set of core values, which we strongly believe will ensure that the Company grows a value-creating and sustainable business.

Vision
Superior commitment to customers and quality creates value.

Mission
We are an ambitious global organization with focus on:

- Safety & environment
- Customers
- Quality
- People
- New thinking
- Being proactive

Core values

- Respect
- Commitment
- Sincerety & Honesty

Our core values are reflected in everything we do. They are an integrated part of how we conduct our business.

Overview of the Eitzen Chemical fleet

As of 31 December 2013, the fleet consists of 49 chemical tankers ranging from 3,500 dwt to 48,000 dwt. Cargo segregations vary from 12 to 30, and the fleet consists of both coated and stainless steel vessels. Of the owned and leased fleet at the end of the year, 28 were coated and 21 were stainless steel. With an average fleet age of less than nine years, Eitzen Chemical operates one of the most modern chemical tanker fleets in the world.

Of the vessels operated by the Company, 36 are owned through subsidiaries in Singapore and Norway. 13 vessels are chartered in on time charter or bareboat contracts, most of them with purchase options. The vessels which are chartered in are classified as financial or operating leases in the Company's financial statements.

Owned vessels

Vessel	Built	Dwt	Flag	Ship owning company	Technical Mgmt.	Coating	IMO
Siteam Adventurer	2007	46,026	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Explorer	2007	46,026	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Voyager	2008	46,017	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Leader	2009	46,017	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V.Ships	Epoxy / Zinc	II
Siteam Discoverer	2008	46,005	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Anja	1997	44,640	Marshall Islands	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy	II/III
Sichem Eagle	2008	25,421	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V.Ships	Epoxy	II
Sichem Falcon	2009	25,419	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V.Ships	Epoxy	II
Sichem Hawk	2008	25,385	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V.Ships	Epoxy	II
Sichem Osprey	2009	25,431	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V.Ships	Epoxy / Zinc	II
Sichem Defiance	2001	17,396	Marshall Island	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II
Sichem Rio	2006	13,162	Italy	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Edinburgh	2007	13,153	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Marineline	II
Sichem Singapore	2006	13,141	Italy	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Manila	2007	13,125	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Marineline	II
Sichem Paris	2008	13,079	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Hong Kong	2007	13,069	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II

Vessel	Built	Dwt	Flag	Ship owning company	Technical Mgmt.	Coating	IMO
Sichem Beijing	2007	13,068	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Montreal	2008	13,056	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V.Ships	Epoxy	II
Sichem New York	2007	12,945	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V.Ships	Epoxy	II
Sichem Melbourne	2007	12,937	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Marseille	2007	12,928	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Dubai	2007	12,889	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Challenge	1998	12,181	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II
Sichem Fumi	1996	11,674	Panama	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Tour Pomerol	1998	10,379	Singapore	Eitzen Chemical Invest (Singapore) Pte. Ltd	V.Ships	Stainless Steel	II
Sichem Palace	2004	8,807	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Tour Margaux	1993	8,674	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V.Ships	Stainless Steel	II
Sichem Iris	2008	8,140	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Sichem Orchid	2008	8,115	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Sichem Lily	2009	8,000	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Sichem Croisic	2001	7,721	Malta	Sichem Pearl Shipping Co Pte. Ltd.	V.Ships	Stainless Steel	II
Sichem Casablanca	1993	6,999	UK	Napoli Chemicals KS	V.Ships	Stainless Steel	II
Sichem Houston	1995	6,239	UK	Napoli Chemicals KS	V.Ships	Stainless Steel	II
Sichem Sparrow	2001	3,596	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II
Sichem Colibri	2001	3,592	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II

Leased vessels

As of 31 December 2013, the Company had chartered in 13 chemical tankers, of which three are on bareboat and ten on time charter. The duration of the charters are arranged as firm periods with additional option periods for the Company. Charter hire is differentiated in relation to firm and optional periods for some of the charters. Certain charter-parties include purchase options in favour of the Company. Refer to the following two tables for an overview of the vessels chartered in by subsidiaries of the Company and the main provisions of these charter-parties.

Vessels on financial leases

The vessels classified as financial lease vessels are recognized in the same manner as vessels owned by the Company. Overview of Eitzen Chemical's six financial lease vessels:

Vessel	Built	Dwt	Flag	Technical Mgmt.	Latest exercise	Purchase Price*	Coating	IMO
North Fighter	2006	19,932	Panama	Selandia	May-2014	USD 18.8M**	Stainless Steel	II
North Contender	2005	19,925	Panama	Selandia	Jan-2014	USD 18.8M**	Stainless Steel	II
Sichem Contester	2007	19,822	Singapore	Fleet Management	Oct-2019	JPY 1,510M	Stainless Steel	II
Sichem Mumbai	2006	13,084	Panama	V.Ships	Oct-2018	USD 8.5M	Epoxy	II
Sichem Aneline	1998	8,941	Marshall Island	Selandia	Jul-2018	JPY 348M	Epoxy	II
Sichem Amethyst	2006	8,817	Panama	Bernhard Schulte	Sep-2015	JPY 985M	Stainless Steel	II

* The purchase price indicates the option price at the latest possible exercise date.

** The purchase options on North Contender and North Fighter have been exercised. The sale of the North Contender was completed in the 1st quarter of 2014, while completion of the sale of the North Fighter remains conditional upon execution of routine closing, which is scheduled to be completed by the end of the 2nd quarter of 2014. The vessels will continue to be classified as financial leases upon completion of the transactions.

Vessels on operating leases

Overview of the Company's seven operating lease vessels:

Vessel	Built	Dwt	Flag	Technical Mgmt.	Latest exercise	Purchase Price*	Coating	IMO
Siteam Jupiter	2000	48,309	Liberia	Chemikalien Seetransport	No option	No option	Epoxy / Zinc	II
Siteam Neptun	2000	48,309	Liberia	Chemikalien Seetransport	No option	No option	Epoxy / Zinc	II
Dreggen	2008	19,993	Panama	Executive Shipmanagement	Dec-2016	JPY 2,920M	Stainless Steel	II
Sichem Onomichi	2008	13,104	Singapore	Selandia	Feb-2015	USD 16.6M	Epoxy	II
Sichem Hiroshima	2008	13,000	Singapore	Selandia	May-2015	USD 16.6M	Epoxy	II
Sichem Mississippi	2008	12,273	Panama	V.Ships	Dec-2028	JPY 1,060M	Stainless Steel	II
Sichem Ruby	2006	8,824	Panama	Bernhard Schulte	Aug-2014	JPY 1,100M	Stainless Steel	II

* The purchase price indicates the option price at the latest possible exercise date.

Contract coverage

Eitzen Chemical has long term relationships with many of its customers. The term business coverage, measured in earnings, was 37 per cent for 2013, with the CoA cover at 28 per cent and time charter cover at 9 per cent. CoAs typically have minimum and maximum volumes. The CoA contracts typically have a firm duration of one year at a time and are subject to annual re-negotiations, but some of the CoAs have firm periods lasting up to five years.

Time Charter Agreements

Some of the vessels owned or leased by the Company are chartered out on time charter. All charters are based on standard charter party forms and are governed by English or US law. Most of the contracts are on short to medium term (from 1 – 2 years).

Contracts of Affreightment

The Company has entered into several CoAs with various customers. Several of the Company's owned or chartered vessels are employed for the performance of these CoAs. The CoAs are with few exceptions not linked to the use of a particular vessel or a particular group of vessels.

Vessels employed in the spot market

Several of the vessels owned or chartered by the Company are employed in the spot market for voyage charters. These contracts are typically based on standard charter party forms like Asbatankvoy, Shell Voy or similar and governed by English or US law.

Introduction to the chemical tanker market

Introduction

Chemical tanker vessels are mainly used for cost-efficient bulk transportation of organic chemicals, inorganic chemicals and vegetable oils and animal fats. In addition, miscellaneous cargoes such as molasses, lube oils and refined petroleum products, e.g. gasoline and jet fuel, can be transported with chemical tanker vessels.

Organic chemicals, also referred to as petrochemicals, are chemicals derived from petroleum products and are carbon based. The most common organic chemicals transported by sea include methanol, MTBE and BTX (benzene, toluene and xylene). Organic chemicals are estimated to be the largest chemicals product group in the seaborne chemical trade.

Inorganic chemicals are chemicals of mineral origin. These chemicals are derived from other sources than petroleum products and do not necessarily have carbon structures. The most common inorganic chemicals include phosphoric acid, sulphuric acid and caustic soda.

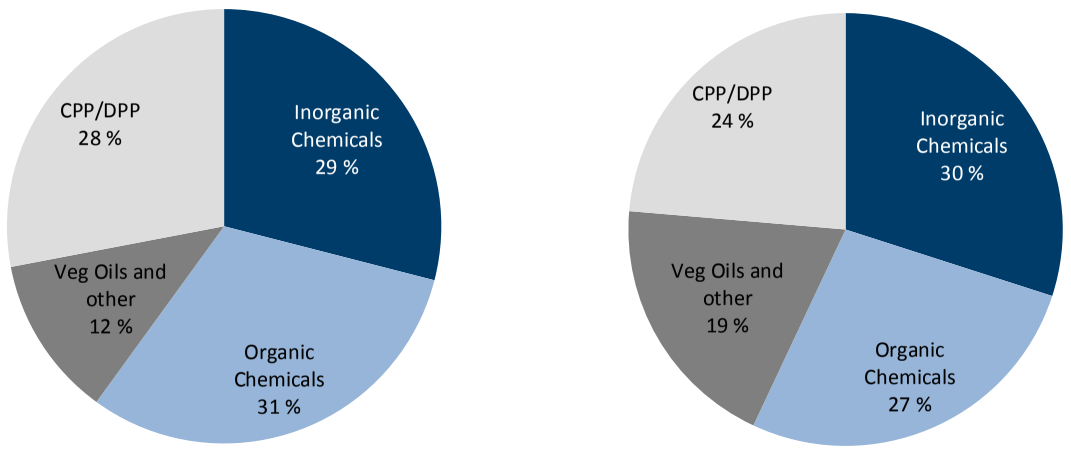
Vegetable oils and animal fats is the third main category transported on chemical tankers. The most common vegetable oils and animal fats include palm oil, soybean oil and tallow.

In addition to chemical transportation, chemical tankers can also be used to transport refined petroleum products (CPP) and dirty petroleum products (DPP), which are usually transported by less sophisticated product tankers. Product tankers can, in turn, be used to carry certain less hazardous chemicals. The chemical tanker market is therefore linked to the product tanker market and the boundary between the product tanker and the chemical tanker market is therefore not easily defined.

However, IMO rules which came into effect on 1 January 2007 added several new cargoes to the chemical tanker trade and certain cargoes which previously could be transported by product tankers had to be transported by chemical tankers with effect from 1 January 2007. Of these cargoes, the most significant in terms of cargo volumes were vegetable oils and soft oils.

The chart below illustrates Eitzen Chemical's cargo liftings for 2012 and 2013.

Eitzen Chemical cargo liftings

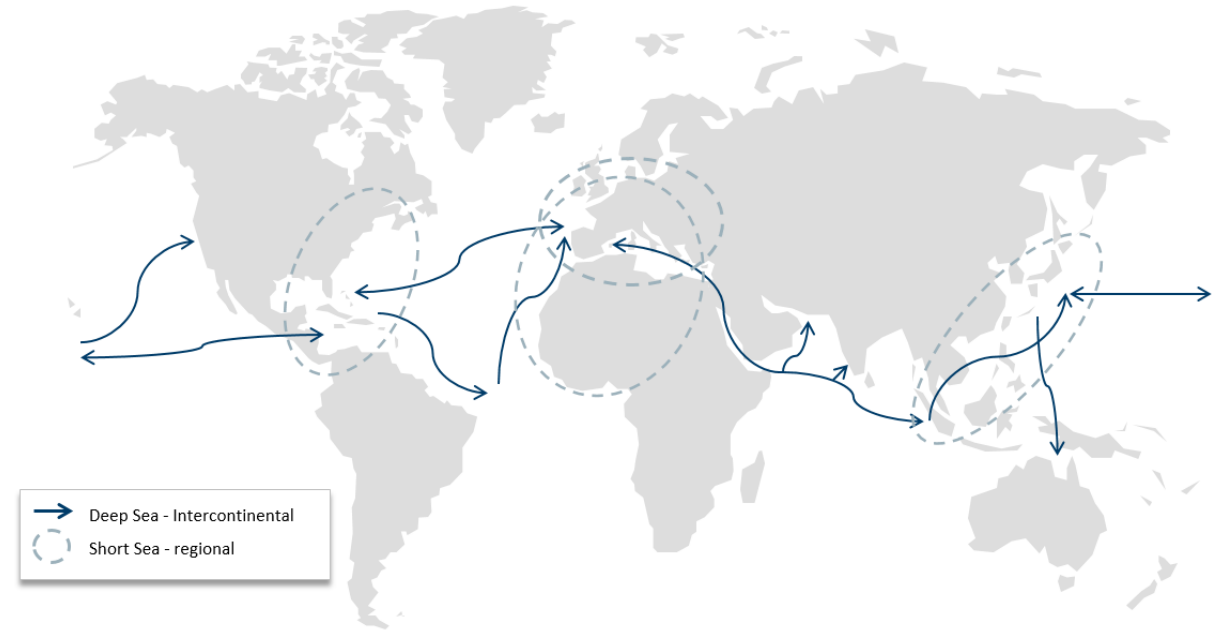


Cargo liftings 2012 | Cargo liftings 2013

Source: *Eitzen Chemical (excluding vessels fixed out on T/C contracts)*

Seaborne transportation of chemicals takes place in all parts of the world. The most important long haul trade lanes for chemical tankers are between the major chemical supply areas in the US, Northwest Europe, Singapore and the Arabian Gulf region, and the main chemical importing regions is Europe, Asia and North America. The Middle East, including India, and North America are expected to become more important regions in the chemical trade as a result of growth in chemical plant and petroleum refinery capacity in these regions. In the medium term, the shale gas development in the US is expected to have a positive effect on demand for long haul chemical tanker transportation. The customers of the chemical tanker operators are mainly producers or consumers of chemical products, e.g. major industrial chemical companies, oil companies and mining companies.

The figure below illustrates Eitzen Chemical's main trade lanes.



IMO regulation

The International Maritime Organization ("IMO") is a specialized agency of the United Nations which is responsible for measures to improve the safety and security of international shipping and to prevent marine pollution from ships. Some of these measures include issuing technical requirements that vessels must fulfil in order to gain permission to transport oil products and chemicals. Product and chemical tankers can be segregated based on their IMO classification, which are quality grades for the permission to transport various chemical and oil products. IMO I graded products are the most hazardous, IMO III the least hazardous. In general, IMO I and IMO II grade tankers are referred to as chemical tankers.

Non-IMO / product tankers are classed as carriers for oil and oil products. In addition to oil and oil products, such as gasoline, non-IMO / product tankers can carry non-IMO liquids such as molasses and ethanol. IMO III tankers are classed as carriers for oil and oil products as well as carriers for type III cargoes. Type III cargoes include, among others, methanol, MTBE, styrene, toluene, and chemical tankers transporting these cargoes have to be classed as IMO III tankers (or better). IMO II tankers are classed as carriers for oil and oil products as well as carriers for type III and type II cargoes. Type II cargoes include, among others, acids, fatty acids, xylene, white spirit and vegetable oils (e.g. palm oil, sunflower oil and soybean oil), and chemical tankers transporting these cargoes have to be classed as IMO II tankers, although vegetable oils can be shipped in double hulled IMO III tonnage. The requirements for IMO II chemical tankers are the same as for IMO III chemical tankers, but with stricter requirements, e.g. with respect to tank size. IMO II tankers can transport both oil products and type III and type II chemicals.

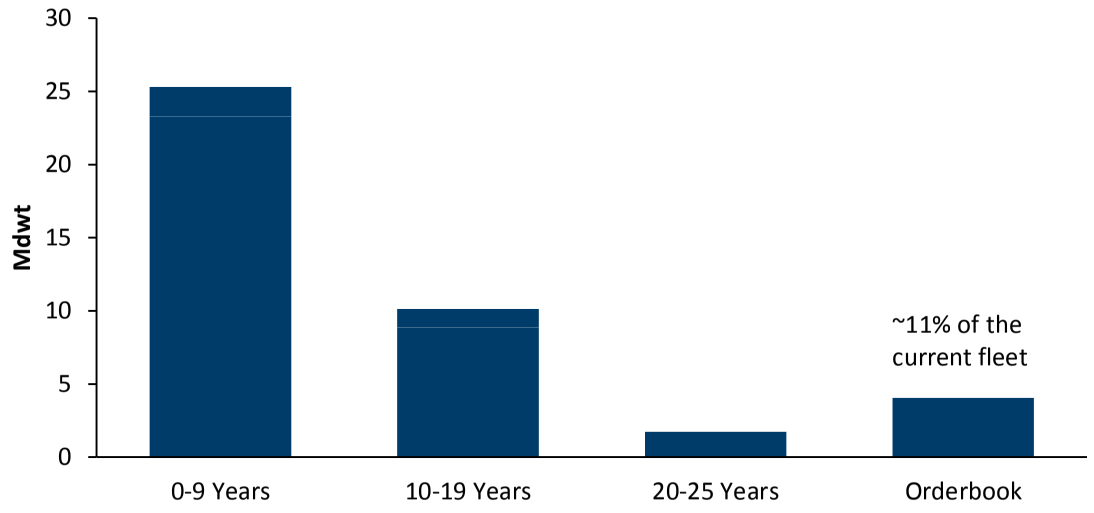
IMO revised carriage requirements under Annex I (oil) and Annex II (noxious liquid substances in bulk which mainly have to be carried by chemical tankers), with the aim of protecting the environment through stricter

regulations. The revisions to Annex I have been implemented, with the result that single hull tankers had to be phased out within year end 2010, but with several exceptions. A fairly comprehensive revision has also been made to Annex II, which took effect on 1 January 2007. The revision has imposed stricter requirements on the carriage of chemical products. A number of cargoes were moved from not being IMO categorised to requiring IMO III or even IMO II classed tankers. To illustrate this by means of some examples, xylene went from requiring IMO III tankers to requiring IMO II tankers. Methanol, MEG and MTBE went from no IMO requirement to requiring IMO III tankers. The most significant change in terms of volume was for vegetable oils and soft oils which went from no IMO requirement to requiring IMO II or IMO III with double hull.

Overview of current fleet and order book

The chemical tanker fleet is relatively small in terms of number of vessels compared to the total tanker fleet. The total fleet of chemical tankers between 3,000 and 54,000 dwt consists of 2,410 vessels for a total of 37.2 million dwt. The graph below provides an overview of the age distribution of the existing fleet of chemical tankers.

Current fleet of chemical tankers, 3k to 54k dwt



Source: Eitzen Chemical based on industry sources

Estimated fleet growth

The orderbook[1] for chemical tankers (tankers below 54,000 dwt) is about 11 per cent of the fleet. In 2013, total deliveries of newbuildings were 1.0 million dwt, with scrapping of 1.2 million dwt, i.e. a net negative fleet growth of 0.2 million dwt or 0.7 per cent. This compares to a positive growth of 1.8 per cent in 2012, 3.9 per cent in 2011 and 4.2 per cent in 2010. The net annual fleet growth the coming years is expected to be moderate.

The fleet growth is to a large degree influenced by the level of scrapping of vessels. Scrapping is correlated to the age and technical standard of a vessel. Further, the decision to scrap is strongly influenced by the freight market. In a weaker market the relative degree of scrapping is higher. Costs associated with dry dockings and new IMO regulations which will come into effect over the next years, are also expected to have a strong influence on the level of scrapping considering the opportunity cost for older vessel to meet new requirements. Consequently, we expect the level of scrapping to remain at today's level until the freight market experience more sustainable market improvement.

[1] Source: *Eitzen Chemical based on industry sources*

If the relative level of scrapping in 2014 and 2015 equals actual scrapping in 2013, the net annual fleet growth the coming years will be moderate.

Freight rate development

Chemical market – tonnage demand

Demand for chemical tankers is influenced by many variables as a vast number of commodities are involved in the seaborne chemical trade. World GDP growth and world industrial production is one of the main drivers for demand for chemicals and is therefore often considered to be one of the main indicators for chemical tanker demand. World GDP figures are anticipated to grow, according to the IMF[2], by 3.7 per cent in 2014 and 3.9 per cent in 2015 and historically the demand for chemical tanker transportation has been growing at a factor of approximately 1.5-2.0.

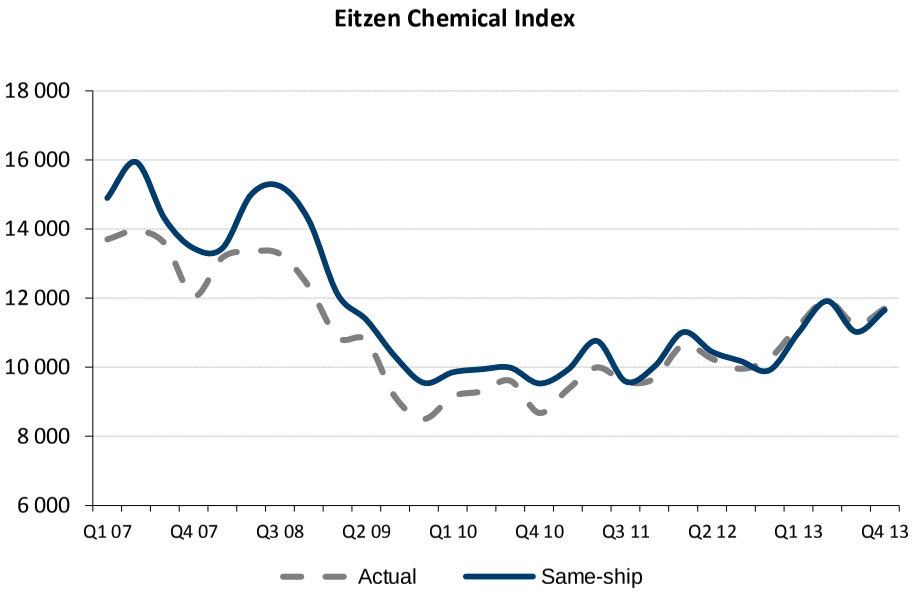
The world's chemical production capacity has been growing steadily during the last decade, partly influenced by increasing consumption as a result of a growing world population. Traditionally, the key areas for production and consumption of chemicals have been the main traditional industrial areas in North America, Northwest Europe and Japan. Going forward a rapid build-up of new chemical plants, especially in the US and Middle East is expected. Growth in US plant capacities is mainly driven by the shale gas possibilities, which is providing the US with cheap feedstock and thereby an increased competitiveness. The US and Middle East is therefore expected to become more important regions for the chemical tanker industry. The long term annual growth rate for global chemicals and plastics demand has been estimated to be around five per cent. Further, the demand for marine chemical transportation, measured in tonne miles, is expected to continue exceeding the growth in demand measured in tonnes, as a result of the increasing industrial production and increased chemical plant and refinery capacity in the US and Middle East.

Freight rates

The table on the following page sets forth the development in the Eitzen Chemical Index (ECI) since 2006, both the actual development and the development on same-ship basis. The ECI is based on the Company's sailed in time charter equivalent (TCE) earnings per day, which measures revenues after voyage related costs such as bunker costs. TCE earnings are included with nominal values. Certain vessels in the current fleet were delivered in the period 2007-2009. The average weighted TCE for these vessels are only included from the time of delivery.

In 2009, high fleet growth coupled with reduced industrial production as a consequence of lower economic activity and negative GDP growth in the major economies, had a negative impact on chemical tanker demand and freight rates. Industrial production has however, in most parts of the world, picked up and increased demand for chemicals and the seaborne transportation of same.

[2] Source: *International Monetary Fund: World Economic Outlook Update, 21 January 2014*



The chemical industry is reporting improved earnings, increased sales and has a positive outlook in general. The increased production of petrochemical products in the US and Middle East is likely to have positive consequences for the tonne mile matrix for chemical tankers. Industry sources estimate that demand for seaborne chemical transportation will increase with 5-6 per cent in 2014, in line with the long term growth trend. Furthermore, the fleet growth for chemical tankers between 3,000 and 54,000 dwt is expected to be moderate going forward. As a consequence, the development of the supply/demand balance is expected to continue being positive. Over the coming years the market should experience gradual improvement with increased fleet utilization. When the remaining oversupply of chemical tankers has been absorbed the chemical tanker market should see a significant recovery, both in rates and second hand values.

Board of Directors' report

Eitzen Chemical is still overleveraged with a negative book equity value of USD 106.8 million (negative NOK 57.9 per share). However, Eitzen Chemical is of the opinion that with a stronger balance sheet, the Company can create more value over time for all present stakeholders. Against this background, Eitzen Chemical and its senior lenders are currently exploring opportunities to strengthen the balance sheet and raise new equity so the Company again can invest and add to its asset base and market presence. A majority of Eitzen Chemical's senior debt has traded recently, and the Company is currently in dialogue with its creditors to explore various alternatives. The Company has retained Evercore Group L.L.C. as financial advisors to assist in the process.

Although the chemical tanker market continues to be challenging, the market in 2013 showed signs of improvements relative to previous years. Driven by increased activity and higher fleet utilization in important trade lanes, we have experienced a gradual recovery in rates. The supply and demand balance in the chemical tanker market continues to improve with a 0.7 per cent net fleet decrease in 2013, and an expected moderate net fleet growth of 1-3 per cent compared with an expected increase in demand of 5-6 per cent on an annual basis the coming years. In spite of an increase in new orders in 2013 the orderbook is still at a moderate level.

The average time charter rate in 2013 increased by 12.0 per cent to USD 11,510 per day, up from USD 10,275 per day in 2012. Consolidated Freight revenue in 2013 for Eitzen Chemical was USD 380.6 million, compared to USD 401.2 million in 2012 following a reduction in the fleet. EBITDA was USD 45.3 million, up from USD 33.5 million in the previous year. Net loss for 2013 was USD 74.6 million, which compares to a net loss of USD 136.3 million in 2012.

Business summary

Eitzen Chemical operates vessels ranging from 3,500 dwt to 48,000 dwt, designed for the transport of IMO II classified chemical cargoes. As of 31 December 2013, the Eitzen Chemical fleet consisted of 49 vessels, of which 36 were owned, 6 were on financial lease and 7 were on operating lease. Eitzen Chemical has one of the most modern chemical tanker fleets in the world with an average age of less than nine years. The vessels are commercially operated through offices in Denmark, Spain, USA and Singapore. Eitzen Chemical's headquarter is located in Norway.

As part of our strategy to further optimize our portfolio of leased vessels and improve operating cash flow, Eitzen Chemical agreed in 2013 to early terminate the time charter of the Sichem Defender (20,000 dwt, built 2007) and received USD 2.5 million in compensation for the early termination. Eitzen Chemical also agreed to early terminate the bareboat charter of the Sichem Pace (19,998 dwt, built 2006), and a USD 2.0 million seller's credit receivable was used as termination settlement. In late December 2013 the Company took delivery of the vessel Dreggen (19,994 dwt, built 2008) on a two-year time charter with one year optional extension period. Furthermore, the Company has exercised the purchase options of the North Contender (19,925 dwt, built 2005) and the North Fighter (19,932 dwt, built 2006). We have further agreed definitive transaction terms pertaining to the sale of the vessels. The sale of the North Contender was completed in the 1st quarter of 2014, while completion of the sale of the North Fighter remains conditional upon execution of routine closing, which is scheduled to be completed by the end of the 2nd quarter of 2014. The aggregate sale price for both vessels is USD 44 million, and Eitzen Chemical has leased back both vessels, each for a five year bareboat charter period. The sale of the vessels includes seller's credit to the buyer for a portion of the aggregate purchase price, as well as a repurchase option for each of the vessels by Eitzen Chemical at a predetermined price after a minimum two year charter hold period. The vessels will continue to be classified as financial leases after the transactions. In February 2014, Eitzen Chemical entered into an agreement to charter in the vessel MT UACC Messila (45,335 dwt, built 2012) on a one year time charter, in order to strengthen the Company's presence within this vessel class. In March Eitzen Chemical entered into an agreement to charter in the vessel Chem Orion (10,306 dwt, built 1998) on a six month time charter with two optional extension periods of six months.

In 2013 the Company has renewed and entered into several longer term CoAs with major international oil and chemical companies at higher freight rate levels than has been the case in prior years, underlining owners' unwillingness to renew CoAs unless they see rate improvements, and the customers' willingness to pay higher

freights to secure their transportation needs. The term business coverage, measured in earnings, was 37 per cent for 2013, with the CoA cover at 28 per cent and time charter cover at 9 per cent. Over the past years, Eitzen Chemical has gradually increased its share of term business coverage.

The underlying supply and demand fundamentals continued to improve in 2013 but in the short-term picture, the market is still influenced by the uncertain and slow world economy. In the first half of 2013 the chemical tanker market saw improved trading conditions with generally more spot volumes which in combination with good CoA nominations improved fleet utilization and thereby earnings. This was particularly prevalent in the larger ship classes trading medium and long haul. The vessels trading regionally experienced stronger demand and improved results in the Intra Asia trades while the European trades started slower but picked up through the first half of 2013. Although the market conditions showed signs of summer slowdown towards the end of the second quarter, Eitzen Chemical managed to fix the vessels well in advance, charter out on short-term time charters and maintain high fleet utilization. Overall, the summer market saw more activity than in recent years, however activity slowed through August and September with a resultant downward pressure on freight rates and a slight increase in the number of idle days which negatively influenced the earnings. Activity picked up again through the 4th quarter of 2013. The Transpacific US Gulf to Far East kept positive momentum through the second half of 2013 with good activity and healthy rates. The Continent/Mediterranean trade lane picked up after the slow summer months. Also on the Transatlantic East bound trade we saw more spot activity resulting in improved freight rates. West bound spot activity remained slow. The Continent/Far East spot market requiring stainless steel was somewhat firmer due to lack of tonnage. In the 2nd half of December the Atlantic basin was severely hit by bad weather, influencing earnings negatively on our vessels trading Continent to/from Mediterranean, East coast Canada to/from US Gulf and vessels going Transatlantic.

The bunker price continues to trade at high levels. The average bunker price in 2013 was about USD 596 per ton, and the bunker prices have risen from around USD 200 per ton at the beginning of 2009. The corresponding increase in voyage costs, even if partly compensated for by our customers, challenges the development of net freight rates towards more sustainable levels. To optimize bunker consumption, the Company has increased the use of eco-steaming, periodic hull cleaning, propeller polishing and trim optimization.

The chemical tanker market is still challenging and negatively impacted by the extensive deliveries of new tonnage in the years prior to the financial crisis and downturn in the chemical tanker market. However, we experience that the demand for chemicals and the seaborne transportation of chemical products is improving, driven by strong demand from China and other emerging Asian economies in particular. Through increased US Shale gas production and new Middle East Gulf petrochemical capacity, we expect the petrochemical production landscape to change, increasing the demand for more long haul tonnage. In 2013 the supply side continued to improve with a net negative fleet growth of 0.7 per cent, and in spite of an increase in new orders the orderbook is still at a moderate level.

Financial review

Consolidated freight income for the Company in 2013 was USD 380.6 million compared to USD 401.2 million in 2012. Freight income on T/C basis was USD 204.0 million in 2013, up from USD 194.6 million in 2012. The average time charter rate in 2013 was 11,510 per day, up from 10,275 per day in 2012. The increase in the TCE on Freight income on T/C basis was offset by a decrease in total trading days following a reduction in the fleet.

Ship operating expenses were USD 107.7 million, down USD 11.6 million from 2012 following a reduction in the fleet. Charterhire expenses were USD 27.7 million, up from USD 20.7 million in 2012. The increase is mainly due to three renegotiated time charter parties. These time charter parties were in previous periods accounted for as financial leases, but are classified as operating leases under the current charter contracts and thus increasing Charterhire expenses. General and administrative expenses were USD 23.3 million compared to USD 23.0 million in 2012. EBITDA in 2013 was USD 45.3 million, compared to USD 33.5 million in 2012.

The Company has recognized a total loss of USD 16.7 million from the early terminations of the time charter of the Sichem Defender (20,000 dwt, built 2007) and the bareboat charter of the Sichem Pace (19,998 dwt, built 2006), and from two time charter contracts which were renegotiated. This compares to a loss of USD 10.2 million from the sales the Sichem Pearl (10,331 dwt, built 1994), the Ievoli Silver (5,400 dwt, built 1992) and the Torquato (5,400 dwt, built 1992) in 2012. Depreciation amounted to USD 57.2 million (2012: USD 64.8 million).

The operating result (EBIT) for 2013 was negative USD 28.7 million compared to negative USD 111.8 million in the previous year, which included an impairment USD 70.4 million.

Net financial items for 2013 were negative USD 45.9 million (2012: 24.5 million), of which interest expenses were USD 58.9 million (2012: USD 47.0 million). Net financial items also includes positive Other financial items of USD 13.0 million (2012: USD 22.4 million), which mainly comprises a net unrealized currency gain on the NOK denominated bond loans and JPY denominated purchase options included in the finance lease obligations.

Net loss for the year was USD 74.6 million compared to a net loss of USD 136.3 million in 2012.

As of 31 December 2013, Eitzen Chemical's total assets were USD 871.2 million. Total fleet book value was USD 765.4 million. The book value of the Company's vessels decreased by USD 93.3 million in 2013, reflecting depreciation, and the accounting impact from the termination of one time charter and the renegotiations of two time charter contracts, all classified as financial leases.

Total equity as of 31 December 2013 was negative USD 106.8 million. A value-adjusted equity, based on the average broker valuations of the Company's owned and financial leased vessels, was negative USD 230.1 million. The Company's share capital is NOK 846,016,800. Outstanding shares are 11,280,224, each with a par value of NOK 75. The share price ended the year at NOK 7.25, and the Company's market capitalization was NOK 81.8 million. As presented at the Annual General Meeting on 25 June 2013, the Board currently considers the Company's capital situation as adequate based on the agreements with the Company's lenders. However, Eitzen Chemical is determined to strengthen the Company's balance sheet.

Capital resources and investments

A financial restructuring of Eitzen Chemical's bank and bond debt was concluded in January 2013. The current agreements with our lenders is based on a slowly improving market and is expected to secure headroom and stable operations through 2015. A working capital facility of USD 30 million was secured to provide the Company with sufficient available liquidity. The facility is split into a term loan facility of USD 10 million and a revolving credit facility of USD 20 million.

As announced on 24 October 2013, the Company and its senior lenders started a process to explore opportunities to strengthen the balance sheet and raise new equity so the Company again can invest and add to its asset base and market presence. During this process, a majority of the Company's senior debt has traded, following which a large portion of the Company's debt is now held by investment funds. This has created a new dynamic to the process. Eitzen Chemical is currently in dialogue with its creditors to explore various alternatives.

There is significant risk associated with the current leverage of the Company and the liquidity risk inherent in the Company's financial liabilities is considerable. Therefore, the Company believes this is an appropriate time to consider various changes to its capital structure, as the current capital structure is such that covering the total debt in 2016 is associated with considerable uncertainty, even with a market recovery. This restricts the Company's ability to grow and to pursue attractive commercial opportunities. The Company also believes that the present market conditions are favourable with respect to investment in the chemical tanker market, and a stronger balance sheet and investment capacity is necessary to carry out the Company's strategy. Following the recent trade of debt, Evercore Group L.L.C. has been mandated solely as the Company's financial advisor to assist in this process.

Until January 2015, the Company's cash commitments on interest payments are limited to LIBOR on the restructured bank debt. All other interest commitments may accrue on the balance of the bank and bond facilities. Available cash in hand and undrawn amount on the working capital facility is expected to provide sufficient headroom on the minimum cash covenants. If the market recovers and the Company has excess cash to service interest margins and/or instalments, excess cash will be swept in accordance with the agreement between all the Company's lenders.

From January 2015, the Company is obliged to pay LIBOR plus a margin of 2.75 per cent on the majority of the loans. Fixed debt instalments will commence in April 2015. However, the Company has the option to defer three

quarterly instalments until maturity in May 2016, with a maximum of two deferrals in one year. More details regarding the agreements can be found in note 17 to the financial statements.

Total long-term debt, including current and non-current portion of finance lease obligations and accumulated interest margins of USD 41.5 million, accrued from October 2012, was USD 926.1 million as at 31 December 2013. Total long-term debt includes USD 715.0 million drawn on bank facilities and USD 113.1 million related to the bond loans. Total long-term debt also includes USD 98.0 million in finance lease obligations, of which USD 61.3 million is the potential payment if the Company declares its right, but not obligation, to purchase the vessels from its owners on certain dates in the leasing period. The current portion of the finance lease obligations includes purchase options of USD 37.5 million for the North Contender and North Fighter. Both options have been exercised, and in 2014 Eitzen Chemical has entered into an agreement to sell and lease these two vessels back on a five-year bareboat charter. The vessels will continue to be classified as financial leases.

As of 31 December 2013, Cash and cash equivalents amounted to USD 30.6 million, corresponding to a net decrease of USD 0.3 million during the year. In 2013, Eitzen Chemical had a net cash flow from operating activities of USD 39.5 million. The Company invested a total of USD 19.1 million in 2013, mainly relating to upgrading and docking of vessels, compared to total investments of USD 14.8 million in the previous year. Net proceeds from the termination of the Sichem Defender (20,000 dwt, built 2007) time charter was USD 2.4 million.

Net cash flow from financing activities was negative USD 23.3 million. Under the new loan agreements the Company has a minimum liquidity covenant of USD 30 million, measured based on the Company's cash and cash equivalents and any undrawn amount under the revolving credit facility of USD 20 million. The revolving credit facility of USD 20 million was undrawn as of year-end 2013. However, in February and March 2014, in total USD 11.0 million has been drawn to cover payment of dry dockings, general working capital requirements and deposit related to the exercise of the North Contender and North Fighter purchase options.

Based on the above and pursuant to Section 3-3a of the Norwegian Accounting Act, the Board confirms that the going-concern assumption applies and that the annual accounts have been prepared on the basis of this assumption.

Financial risk

A successful financial restructuring of Eitzen Chemical's bank and bond debt was concluded in January 2013 (refer to the "Capital resources and investments" section above and note 17 for further information).

Market conditions for shipping activities are typically volatile and results may vary considerably from year to year. Furthermore, vessels and cargoes are subject to perils particular to marine operations, including capsizing, grounding, collision, piracy, and loss or damage from severe weather conditions. Such circumstances may result in damages to property, the environment or persons and expose the company to loss or liability. In addition, the Company is exposed to a number of different financial market risks arising from the normal business activities. Additional risks not presently known to the Board of Directors, or considered immaterial at this time may also impair its business operations and prospects.

Fluctuations in freight rates and bunker fuel prices are key factors affecting the cash flow and the value of our assets. The fluctuation in freight rates is to some extent reduced by the Company's portfolio of CoAs and time charters. The Company seeks to reduce the exposure to fluctuating bunker fuel prices through compensation clauses in contracts with customers. On CoAs where this is not possible, the Company may utilize commodity based derivatives to reduce the bunker exposure. The Company does not hedge the bunker risk related to its spot market exposure. Over time, freight rates should adjust to reflect changes in bunker expenses. However, this adjustment tends to lag in time.

Interest and exchange rate risks are significant financial risks for Eitzen Chemical. Management periodically review and assess the primary financial market risks. At the end of 2013 approximately 89 per cent of our interest bearing debt carried floating interest rates. The Company currently pays floating interest rates on its bond and bank debt, while the Company's leasing obligations have fixed rates.

Eitzen Chemical's revenues are predominately in USD. Portions of our operating expenses and general and administrative expenses are denominated in non-USD currencies, mainly DKK, NOK, EUR and SGD. Interest bearing debt is mainly in USD. However, the Company's outstanding bond loan has one NOK tranche. Some of the purchase options on leased vessels are in JPY.

Sustainability

Eitzen Chemical's main contribution to society is to grow a long-term, sustainable and value-creating business for our stakeholders. Our aim is to ensure that our business practices as well as investments are sustainable, and contribute to long-term economic, environmental and social development. Eitzen Chemical has identified the Company's material sustainability issues and their potential impact on our business.

Eitzen Chemical recognizes its environmental responsibility and strive to comply with and maintain high standards in order to reduce the environmental impact from its operations. The Company is focusing on reducing bunkers consumption, which is the main source of the shipping sector's emissions of CO_2, NO_X and SO_X.

It is Eitzen Chemical's policy to integrate attention to human and labour rights into its existing business processes. In practice, a large part of the human and labour rights agenda is covered by the Company's health and safety efforts. The Company value its employees as the Company's key resource, and aims to continuously provide and enhance healthy, high-quality working conditions, both onshore and onboard vessels.

Eitzen Chemical believes that corruption prevents well-functioning business processes and curbs economic development. Eitzen Chemical focuses on transparency in its business practices, supports free enterprise and competes in a fair and ethical manner. The Board of Eitzen Chemical has approved a Code of Conduct defining the Company's ethical standards.

Refer to the Sustainability Report, which is an integral part of this Board of Directors' report, for further information on how Eitzen Chemical systematically integrates the most material sustainability issues into its business strategies and processes.

Human resources and diversity

In November 2013, the Board of Directors appointed Mr. Jens Grønning as Chief Executive Officer (CEO) after Per Sylvester Jensen tendered his notice of resignation. Mr. Grønning joined Eitzen Chemical from a position as CEO of United Arab Chemical Carriers Ltd. He was prior to that with the Eitzen Group for 7 years till 2008, where he served as Chief Operating Officer of Eitzen Chemical.

On 25 June 2013, the Annual General Meeting elected the Board members Helene J. Anker, Heidi M. Petersen, Thor J. Guttormsen and Erik Bartnes for two years. The Board of Directors consist of five members, and represent a strong combination of shipping and financial experience. Four out of five members of the Board of Directors are independent of Eitzen Chemical's largest shareholder, Jason Shipping AS.

As of year-end 2013, Eitzen Chemical had 1,300 crew members employed on its vessels or on leave. In addition, the Company had 78 permanent full-time employees onshore.

We value our employees as our key resource. Eitzen Chemical will continue to focus on attracting and keeping the best qualified and motivated employees. Eitzen Chemical is a global organization with a diversified working environment in which employment, promotions, responsibility and job enrichment are based on qualifications and abilities, and not on gender, age, race and political or religious views.

Eitzen Chemical believes in equal opportunity for men and women in the workplace. However, the shipping business is historically male-dominated. Female representation among employees therefore remains low and accounted for approximately 27 per cent of the onshore work force in 2013. The Board complies with the 40 per cent gender requirement for Board of Directors stipulated by Norwegian law.

Corporate governance
The Board of Eitzen Chemical is committed to developing a strong, sustainable and competitive company in the best interest of the shareholders, employees, customers, creditors, business associates, third parties and society at large. The Board of Directors and Management aim for a controlled and profitable development and long-term creation of growth through well-founded governance principles, operational procedures and risk management.

The responsibility and working procedures of the Board are regulated by Instructions for the Board of Directors of Eitzen Chemical ASA, Eitzen Chemical's Corporate Governance policy and the Company's Code of Conduct. The Board acknowledges the Norwegian Code of Practice for Corporate Governance and will work on implementing this Code, using the guidelines as recommendations for the Board's governance duties. For more detailed information see the Corporate Governance principles included in the annual report.

Parent company
The Board proposes that the net loss of NOK 249.9 million for the parent company is attributed to Retained losses. The loss in 2013 mainly relates to impairment charges of NOK 258.4 million on financial assets. Total equity for the parent company as at 31 December 2013 is negative NOK 466.3 million. The unrestricted equity available for distribution as of 31 December 2013 is zero. Total assets as of 31 December 2013 amounts to NOK 464.9 million, compared to NOK 481.2 million as of 31 December 2012. Total cash and cash equivalents amount to NOK 4.7 million as of 31 December 2013, compared to NOK 18.1 million the previous year.

Outlook
Subject to moderate global GDP growth, the Company expects the supply/demand balance for chemical tankers to improve.

The orderbook[3] for chemical tankers (tankers below 54,000 dwt) is about 11 per cent of the fleet. In 2013, total deliveries of newbuildings were 1.0 million dwt, with scrapping of 1.2 million dwt, i.e. a net negative fleet growth of 0.2 million dwt or 0.7 per cent. This compares to a positive growth of 1.8 per cent in 2012, 3.9 per cent in 2011 and 4.2 per cent in 2010. The net annual fleet growth the coming years is expected to be moderate.

Industry sources estimate that demand for seaborne chemical transportation will increase with 5-6 per cent in 2014, in line with the long term growth trend. Hence, the development of the supply/demand balance is expected to continue being positive. Over the coming years the market should experience gradual improvement with increased fleet utilization. When the remaining oversupply of chemical tankers has been absorbed the chemical tanker market should see a significant recovery, both in rates and second hand values.

Subsequent events
As described in the Business summary, Eitzen Chemical has entered into time charter agreements for two vessels in 2014. Further, Eitzen Chemical has exercised the purchase options of the North Contender (19,925 dwt, built 2005) and the North Fighter (19,932 dwt, built 2006), agreed definitive transaction terms pertaining to the sale of the vessels and agreed to lease back both vessels.

In 2014, a majority of the Company's senior debt has traded, following which a large portion of the Company's debt is now held by investment funds. Following the trade of debt, Evercore Group L.L.C. has been mandated solely as the Company's financial advisor. If a comprehensive restructuring process is undertaken, the Company will incur significant costs to advisors.

In February and March 2014, the Company has drawn in total USD 11.0 million on its revolving credit facility to cover payment of dry dockings, general working capital requirements and deposit related to the exercise of the North Contender and North Fighter purchase options.

[3] Source: *Eitzen Chemical based on industry sources*

Forward looking statement
This report contains forward looking statements. These statements are based upon various assumptions. Although Eitzen Chemical believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control. Eitzen Chemical cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions. No assurance can be given that the Company will be able at all times to be in compliance with all of its financial covenants towards its finance providers or to agree such necessary arrangements to timely secure full compliance with the terms of the agreements with its lenders. Such arrangements might require discussions with, amongst others, the Company's lenders and such discussions might not be concluded and agreed in a timely manner, if at all.

Oslo, 14 March 2014

The Board of Directors of Eitzen Chemical ASA

Aage Rasmus Bjelland Figenschou
Chairman of the Board

Helene Jebsen Anker

Heidi M. Petersen

Thor J. Guttormsen

Erik Bartnes

Jens Grønning
Chief Executive Officer

Statement of responsibility

We confirm to the best of our knowledge that the consolidated financial statements for 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as additional information requirements in accordance with the Norwegian Accounting Act, that the financial statements for the parent company for 2013 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and result of Eitzen Chemical ASA and the Eitzen Chemical Group for the period. We also confirm to the best of our knowledge that the Board of Directors' Report includes a true and fair review of the development, performance and financial position of Eitzen Chemical ASA and the Eitzen Chemical Group, together with a description of the principal risks and uncertainties that they face.

Oslo, 14 March 2014

The Board of Directors of Eitzen Chemical ASA

Aage Rasmus Bjelland Figenschou
Chairman of the Board

Helene Jebsen Anker

Heidi M. Petersen

Thor J. Guttormsen

Erik Bartnes

Jens Grønning
Chief Executive Officer

Consolidated Income Statement

(USD '000, except per share data)

	Note	2013	2012
Freight revenue		380 603	401 248
Voyage expenses	4	-176 589	-206 655
Freight income on T/C basis		**204 014**	**194 593**
Management fees and other income	5	-	1 933
Gross profit		**204 014**	**196 526**
Ship operating expenses	6	-107 722	-119 356
Charterhire expenses	18	-27 711	-20 713
General and administrative expenses	7	-23 322	-22 944
EBITDA (Earnings before interest, taxes, depreciation and amortisation)		**45 259**	**33 513**
Impairment	11	-	-70 391
Depreciation	11	-57 225	-64 779
Gain/(loss) on sale of assets	11	-16 741	-10 172
EBIT (Earnings before interest and taxes)		**-28 707**	**-111 829**
Interest income	8	11	92
Interest expenses	8	-58 887	-46 976
Other financial items	8	12 988	22 398
Profit (loss) before taxes		**-74 595**	**-136 315**
Income tax expense	9	-	-1
Net profit (loss)		**-74 595**	**-136 316**
Attributable to owners of the parent		-74 595	-136 316
Basic/diluted earnings per share	10	-USD 6.62	-USD 12.10

See accompanying notes that are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

(USD '000)

	Note	2013	2012
Net profit (loss)		**-74 595**	**-136 316**
Other comprehensive income			
Actuarial gains/(losses) on defined benefit plans	12	-129	-
Total items that will not be reclassified to profit or loss		**-129**	-
Foreign currency translation differences		35	25
Total items that may be reclassified to profit or loss		**35**	**25**
Other comprehensive income, net of taxes		**-94**	**25**
Total comprehensive income for the year net of taxes		**-74 689**	**-136 291**
Attributable to the equity holders of the parent		**-74 689**	**-136 291**

See accompanying notes that are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

(USD '000)

	Note	31/12/2013	31/12/2012
ASSETS			
Vessels	11	672 306	706 102
Vessels held under finance leases	11	93 045	152 499
Other equipment	11	278	205
Other non-current assets		2 058	3 347
Total non-current assets		**767 687**	**862 153**
Trade and other receivables	13	50 675	50 951
Inventories		17 325	16 681
Other current assets		4 903	1 911
Cash and cash equivalents	14	30 615	30 926
Total current assets		**103 518**	**100 469**
TOTAL ASSETS		**871 204**	**962 622**
EQUITY AND LIABILITIES			
Share capital		148 037	148 037
Share premium		20 550	20 550
Treasury shares		-116	-116
Other paid in equity		631 440	631 440
Total paid in capital	15	**799 911**	**799 911**
Retained earnings		-916 326	-841 681
Other reserves		9 660	9 625
Total equity	15	**-106 754**	**-32 144**
Interest-bearing loans and borrowings	17	828 092	13 263
Obligations under finance leases	17,18	55 113	140 149
Pension obligations	12	225	202
Total non-current liabilities		**883 430**	**153 614**
Trade and other payables	16	51 153	58 568
Current portion of interest-bearing loans and borrowings	17	-	769 793
Current portion of obligations under finance leases	17,18	42 849	12 380
Income tax payable	9	-	7
Other current liabilities		526	404
Total current liabilities		**94 528**	**841 152**
Total liabilities		**977 958**	**994 766**
TOTAL EQUITY AND LIABILITIES		**871 204**	**962 622**

See accompanying notes that are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

(USD '000)

	Note	2013	2012
Profit/(loss) before taxes		-74 595	-136 315
Non-cash adjustment			
(Gain)/loss on sale of assets		16 741	10 172
Depreciation	11	57 225	64 779
Impairment	11	-	70 391
Effect of updated estimated finance lease obligations		-	-30 432
Interest expenses		58 887	46 976
Interest income		-11	-92
Foreign currency (gain)/loss		-14 517	2 292
Change in pension liabilities	12	-27	-392
Other changes		3	7 457
Working capital adjustments			
Change in current assets		-4 048	14 186
Change in current liabilities		-121	-12 811
Taxes paid		-	-
Net cash flow from operating activities		**39 537**	**36 211**
Net proceeds from sale of vessels		2 409	5 954
Payments on vessels (mainly upgrading and docking)	11	-19 123	-14 806
Interest received		11	92
Net cash flow from investing activities		**-16 703**	**-8 760**
Proceeds from borrowings		15 226	2 139
Repayment of long term debt		-5 211	-7 033
Repayment of obligations under finance leases		-10 510	-13 407
Interest paid	17	-10 308	-39 914
Payment of other financial costs	17	-12 537	-5 544
Net cash flow from financing activities		**-23 341**	**-63 759**
Net change in cash and cash equivalents		**-507**	**-36 308**
Effect of exchange rate changes on cash		195	408
Cash and cash equivalents at the beginning of period		30 926	66 826
Cash and cash equivalents at 31 December *	14	**30 615**	**30 926**

* Whereof USD 2.1 million is restricted (2012: MUSD 1.9).

Additional details:			
Cash and cash equivalents		30 615	30 926
Unused available borrowing facilities	17	20 000	-
Liquidity reserves at the end of the year		**50 615**	**30 926**

See accompanying notes that are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

(USD '000)

2013	Attributable to equity holders of the parent company									
	Paid in capital					Other reserves				
	Share capital (Note 15)	Share premium	Employee benefit reserve	Treasury shares (Note 15)	Other paid in equity	Retained profits/ losses	Reva-luation reserve	Trans-lation reserves	Total other reserves	Total
At 31 December 2012	**148 037**	**20 550**	**1 591**	**(116)**	**629 849**	**(841 681)**	**3 406**	**6 219**	**9 625**	**(32 144)**
Implementation of revised IAS19 (note 24)	-	-	-	-	-	79	-	-	-	79
At 1 January 2013	**148 037**	**20 550**	**1 591**	**(116)**	**629 849**	**(841 602)**	**3 406**	**6 219**	**9 625**	**(32 065)**
Profit (loss) for the period	-	-	-	-	-	(74 595)	-	-	-	(74 595)
Other comprehensive income	-	-	-	-	-	(129)	-	35	35	(94)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(74 724)**	**-**	**35**	**35**	**(74 689)**
At 31 December 2013	**148 037**	**20 550**	**1 591**	**(116)**	**629 849**	**(916 326)**	**3 406**	**6 254**	**9 660**	**(106 754)**

2012	Attributable to equity holders of the parent company									
	Paid in capital					Other reserves				
	Share capital (Note 15)	Share premium	Employee benefit reserve	Treasury shares (Note 15)	Other paid in equity	Retained profits/ losses	Reva-luation reserve	Trans-lation reserves	Total other reserves	Total
At 1 January 2012	**148 037**	**20 550**	**1 591**	**(116)**	**629 849**	**(705 365)**	**3 406**	**6 194**	**9 600**	**104 146**
Profit (loss) for the period	-	-	-	-	-	(136 316)	-	-	-	(136 316)
Other comprehensive income	-	-	-	-	-	-	-	25	25	25
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(136 316)**	**-**	**25**	**25**	**(136 291)**
At 31 December 2012	**148 037**	**20 550**	**1 591**	**(116)**	**629 849**	**(841 681)**	**3 406**	**6 219**	**9 625**	**(32 144)**

Employee benefit reserve
The employee benefits reserve is used to record the value of the Company's share-based incentive program. Refer to Note 7 for further details of the plans.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries in foreign currencies.

Treasury shares
The treasury shares are the effect of purchase of own shares. As of 31 December 2013, the Company held 10,100 shares.

Revaluations reserve
The revaluation reserves are used to record step by step revaluation in connection with purchase of subsidiaries.

See accompanying notes that are an integral part of these consolidated financial statements.

Notes to the Financial Statements

Note 1 – Corporate information

Eitzen Chemical ASA (Eitzen Chemical or the Company) is a public limited liability company incorporated and domiciled in Norway which shares are listed on Oslo Stock Exchange. The address of the domicile is Ruseløkkveien 6, P. O. Box 1794 Vika, 0122 Oslo, Norway. The principal activities of Eitzen Chemical are described in the Board of Directors' report. The consolidated financial statements of Eitzen Chemical for 2013 were approved by the Board of Directors (the Board) and the Chief Executive Officer (CEO) on 14 March 2014, and will be presented for approval at the Annual General Meeting in the second quarter of 2014.

Note 2.1 – Basis of preparation

The consolidated financial statements for Eitzen Chemical and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The consolidated financial statements have been prepared on a historical cost basis, except for financial assets and liabilities held for trading and all financial assets that are classified as available for sale. These financial assets and liabilities are measured at fair value. The consolidated financial statements are presented in US Dollars thousands (USD '000) except when otherwise indicated.

Going concern
Based on the agreements with the lenders, the financial statements have been prepared on the basis of the going concern assumption, which contemplates the realisation of assets and the liquidation of liabilities as part of the normal course of business.

Basis of consolidation
The consolidated financial statements comprise the financial statement of Eitzen Chemical and its subsidiaries at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent policies. The consolidated financial statements include the parent company Eitzen Chemical ASA and undertakings in which the parent company directly or indirectly holds more than 50 per cent of the share capital, has corresponding voting rights, or otherwise has an actual controlling interest. All Group balances, and profits and losses resulting from intercompany transactions are eliminated.

Note 2.2 – Significant accounting judgments, estimates and assumptions

Certain of our accounting principles require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates that affect the reported amounts of assets, liabilities, revenues, expenses and information on potential liabilities. By their very nature, these judgments and estimates are subject to an inherent degree of uncertainty. These judgments and estimates are based on historical experience, terms of existing contracts, observation of trends in the industry, information provided by customers and where appropriate, information available from other sources. Although these judgments and estimates are based on management's interpretations of current events and actions, future events may lead to these judgments and estimates being changed and actual results may ultimately differ materially from those judgments and estimates. Such changes will be recognized when new judgments and estimates can be determined.

Judgments
In the process of applying Eitzen Chemical's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the financial statements.

Impairment
The Company has defined the whole fleet as one Cash Generating Unit (CGU) as the vessels are operated as a portfolio and each vessel is dependent of each other. An individual vessel can be chartered on behalf of several clients and trade lanes throughout the world. The vessels are not defined for a specific type of cargo or trade within a particular geographical area. Refer to note 11 for further information on the impairment assessment.

Operating versus financial lease agreements
Based on the content of a leasing agreement, Eitzen Chemical determines whether the agreement is considered as an operating or a financial lease agreement. In this determination, assumptions are made and if the same assumptions were judged differently, it could have an effect on the income statement and the statement of financial position. One of the most significant judgments is the forecasted future market value of the leased vessel at the dates when the purchase option is expected to be declared.

Estimates and assumptions
Management has made estimates and assumptions which have significant effect on the amounts recognised in the financial statements. In general, accounting estimates are considered significant if:

- the estimates require assumptions about matters that are highly uncertain at the time the estimates are made
- different estimates could have been used
- changes in the estimates have a material impact on Eitzen Chemical's financial position

Carrying amount of vessels, depreciation and residual values
In addition to the purchase price, the carrying amount of vessels is based on management's assumptions of useful life and residual value of the vessels. Useful life may change due to change in technological developments, competition, environmental and legal requirements, freight rates and steel prices.

The residual value of the vessel is calculated as the light displacement of the vessel multiplied with the estimated steel prices minus the estimated cost in connection with the scrapping. Residual values are challenging to estimate given the long lives of the vessels, the uncertainty as to future economic conditions and the future price of steel, which is considered as the main determinant of the residual price. Eitzen Chemical currently estimates residual value annually based upon the average steel price for the last five years.

Impairment
When value in use calculations are performed, management estimate the expected future cash flows from the assets or cash-generating unit and determine a suitable discount rate in order to calculate the present value of those cash flows. This will be based on management's evaluations, including estimating future performance, revenue generating capacity, and assumptions of future market conditions and appropriate discount rates. Changes in circumstances and in management's evaluations and assumptions may give rise to impairment losses. While management believes that the estimates of future cash flows are reasonable, different assumptions regarding such cash flows could materially affect the evaluations.

At each reporting date, management assesses indicators of impairment for non-financial assets and whether the assumptions in the value in use calculations are reasonable.

Onerous contracts
At each reporting date, management assesses if there are contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received. A provision is recorded by estimating the present obligation under the contract.

Financial leases
Agreements to charter in vessels where Eitzen Chemical has substantially all risks and rewards of ownership, are recognised in the balance sheet as financial lease. Financial leased assets are at the inception of the lease measured at the lower of the fair value and the present value of minimum lease payments determined in the agreement. For the purpose of calculating the net present value, the interest rate implicit in the lease or the Company's incremental borrowing rate is used as a discount factor.

Provisions
Provisions are based on management's best estimate. Provisions are reviewed at each balance sheet date to reflect the best estimate of the liability.

Note 3 - Segment information

The Company and the chief operating decision maker ("CODM") measure performance based on the Company's overall return to shareholders based on consolidated net income. The CODM does not regularly review a measure of operating result at a lower level than the consolidated group. Consequently, the Company has only one reportable segment: chemical tankers.

(USD '000)

	2013	2012
Freight revenue	380 603	401 248
Voyage expenses	-176 589	-206 655
Freight income on T/C basis	**204 014**	**194 593**
Management fees and other income	-	1 933
Gross profit	**204 014**	**196 527**

The Company's revenue and operating results relate to its chemical tanker operations which are carried out internationally and cannot be attributed to any particular geographical location or separated into various products. The Company does not have any counterpart that contributes to more than 10 per cent of the total operating revenues.

Note 4 - Voyage expenses
(USD '000)

	2013	2012
Bunker expenses	121 339	142 593
Port expenses	49 601	54 864
Other voyage expenses	5 649	9 198
Total	**176 589**	**206 655**

Port expenses include pilotage, towage, agency fee, survey, stevedoring and cleaning.

Note 5 - Management fee and other income
(USD '000)

	2013	2012
Management fee from pools	-	1 836
Other	-	97
Total	**-**	**1 933**

In 2013 Eitzen Chemical did not earn any management fee as pool manager, as the strategy of discontinuing as pool manager was completed in the first half of 2012.

Note 6 – Ship operating expenses
(USD '000)

	2013	2012
Crew expenses	54 620	57 001
Technical expenses	28 233	30 534
Other expenses (insurance, fees, etc)	24 870	31 821
Total	**107 722**	**119 356**

Note 7 – Other specifications to the income statement
(USD '000)

Employee benefits expense

	2013	2012
Included in ship operating expenses:		
Wages and salaries, seafarers	41 598	43 679
Social security costs, seafarers	1 259	1 116
Total	**42 857**	**44 795**
Included in General and administrative expenses:		
Wages and salaries	11 989	12 191
Social security costs	1 095	1 175
Pension costs (Note 13)	733	790
Total	**13 817**	**14 156**

At 31 December 2013, the Company had 78 permanent full-time employees onshore (2012: 79) and 1,300 crew members employed on its vessels or on leave (2012: 1,250).

Remuneration

	2013	2012
Chief Executive Officer *		
Remuneration	98	-
Pension	3	-
Bonus	-	-
Former Chief Executive Officer **		
Remuneration	608	598
Pension	13	18
Bonus	300	-
Executive Management		
Remuneration	1 316	1 188
Pension	92	91
Bonus	757	-
Total compensation paid to CEO and Executive Management	**3 188**	**1 895**
Board of Directors	267	283
Total remuneration	**3 455**	**2 179**

* Mr. Jens Grønning was appointed Chief Executive Officer (CEO) in November 2013.
** Total compensation paid to former CEO Mr. Per Sylvester Jensen in 2013 includes compensation paid in the period after his resignation in November 2013. Mr. Jensen will receive full remuneration in his notice period of 6 months.

The members of the Board of Directors and Executive Management have no loans or guarantees from the Company. Refer to note 2 in parent company for remuneration to Executive Management.

Compensation to the Board
The compensation to the Board is determined on a yearly basis by the Company in its Annual General Meeting. Refer to note 2 in parent company for further information.

In addition to the Board of Directors remuneration, Chairman of the board Aage Rasmus Bjelland Figenschou was engaged by the Company as a consultant and received payment of USD 98 thousand and USD 377 thousand for services provided in 2012 and 2013, respectively. Former Chairman of the Board Bjørn J. Sjaastad, was previously engaged by the Company as a consultant and received payment of USD 211 thousand in 2012.

Benefits upon termination of employment
Executive Management have notice periods built into their contracts of employment. The notice periods are individual and vary from 3 to 6 months. Executive management currently consist of five people.

Bonus agreement
The Company has established a discretionary bonus scheme for key employees which is based on an evaluation of the Company's and the employee's performance.

Employee share option program
Senior management participates in a share-based incentive program, where the employees are granted share options. The program does not provide the choice of cash settlement instead of shares. The fair value of the shares and options are measured at the grant date and was recognised in the income statement under General and Administrative expenses over the vesting period. The share options were fully vested in 2011. The number of share options exercisable as of 31 December 2013 is 31,200 and the weighted average exercise price is NOK 231.

Remuneration to the auditors (ex VAT)

	2013	2012
Statutory audit	304	429
Other assurance services	5	28
Tax advisory services	1	98
Other non-audit services	-	3
Total	**310**	**556**

Note 8 – Financial items
(USD '000)

Interest income

	2013	2012
Bank interest	11	92
Interest income, other	-	-
Total	**11**	**92**

Interest expenses

	2013	2012
Interest expense, debts and borrowings	-51 130	-35 266
Interest expense, finance leased vessels	-7 757	-11 710
Total	**-58 887**	**-46 976**

Other financial items

	2013	2012
Foreign exchange gain	17 397	11 171
Foreign exchange net gain, finance lease	6 135	3 626
Other financial income *	-1 862	32 239
Other financial income	**21 670**	**47 036**
Foreign exchange loss	-9 169	-17 312
Changes in market value of financial instruments	-	-169
Other financial expenses **	488	-7 156
Other financial expenses	**-8 681**	**-24 637**
Total	**12 988**	**22 398**

* Other financial income in 2012 was mainly related to two of the Company's time charter contracts accounted for as financial leases which expired in the first half of 2013 and where it was assumed that the purchase options on these vessels will not be exercised.
** Other financial expenses in 2012 includes debt restructuring fees of USD 5.8 million.

Foreign exchange gains and losses relates mainly to exchange rate fluctuations in Norwegian and Danish kroner, Euro and Japanese Yen. Note 21 include further details on foreign currency risk and exposure.

Items of income, expenses, gain and losses

2013	Debt and payables	Loan and receivables	Other financial	Total
Interest income	-	11	-	11
Interest expense	-58 887	-	-	-58 887
Other financial items	6 135	8 227	-1 374	12 988
Net financial income/(expenses)	**-52 752**	**8 238**	**-1 374**	**-45 888**

Items of income, expenses, gain and losses

2012	Debt and payables	Loan and receivables	Other financial assets/ liabilities	Total
Interest income	-	92	-	92
Interest expense	-46 976	-	-	-46 976
Other financial items	3 626	-6 141	24 913	22 398
Net financial income/(expenses)	**-43 350**	**-6 049**	**24 913**	**-24 486**

Note 9 – Income tax expense
(USD '000)

The Company's and / or its subsidiaries' activities will to a large extent be governed by the fiscal legislation of the jurisdictions where it is operating. Thus, the Company is exposed to a risk regarding the correct application of the tax regulations as well as possible future changes in the tax legislation of those relevant countries. In addition, the Company is, to a certain extent, exposed to different rules on freight duty and withholding tax.

The Company participates in the tax scheme in Singapore. All qualified shipping income derived from the shipping activity is exempt from taxation for the duration of the Approved International Shipping Enterprise (AIS) approval. The AIS approval has been granted for a period of ten years commencing November 2004. Furthermore, dividend paid from Singapore to the parent company in Norway is also exempt from tax.

Income taxes included in the income statement

	2013	2012
Tax payable	-	-1
Income taxes	-	**-1**

Effective tax rate

	2013	2012
Profit (loss) before taxes	-74 595	-136 315
Statutory tax rate (Norway)	28%	28%
Estimated tax expenses at statutory tax rate	20 887	38 168
Non-deductible expenses (incl impariment of assets)	-80	-19 775
Income/loss not subject to tax/countries with lower tax rate	-16 767	-25 017
Tax loss carried forward and other tax credits	-4 039	6 622
Income tax expense	**-**	**-1**
Effective tax rate in %	0 %	0 %

Deferred tax

	2013	2012
Loss carried forward *	88 375	98 288
Other temporary differences	616	1 173
Deferred tax assets	**88 991**	**99 461**
Non-current liabilities	-941	-768
Deferred tax liabilities	**-941**	**-768**
Net deferred tax assets	**88 050**	**98 693**
Deferred tax assets not recorded in balance sheet	-88 050	-98 693
Recorded deferred tax assets	**-**	**-**

* In 2012, Eitzen Chemical ASA realized a loss from an internal sale of shares in subsidiaries, due to a company restructuring following the new loan agreements with the lenders of the Eitzen Chemical Group. Refer to note 6 in parent company for further information. In the tax return for 2012 Eitzen Chemical ASA claimed a tax loss from the transaction of USD 291.6 million.

The temporary differences as of 31 December 2013 and 2012 are mainly related to companies taxable in Norway and Denmark. USD 327.3 million (2012: USD 351.0 million) of the deferred tax assets, not recorded in the balance sheet, relates to tax loss carried forward in Norway and Denmark. Loss carried forward in Norway and Denmark is not subject to expiration.

Note 10 – Earnings per share

Basic and diluted earnings per share are calculated by dividing net profit (loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

On 5 February 2013 the Company held an Extraordinary General Meeting whereby a reverse share split in the ratio 100:1 was approved. Refer to note 15 for further information. Earnings per share for both 2013 and 2012 have been calculated based on the weighted average number of shares adjusted for the reverse split. The following table reflects the income and share data used in the Company's basic and diluted earnings per share calculations:

	2013	2012
Net profit (loss) attributable to equity holders (USD '000)	-74 596	-136 316
Number of shares outstanding end of period	11 270 124	1 127 012 323
Weighted average number of ordinary shares outstanding in the period	11 270 124	1 127 012 323
Weighted average number of ordinary shares for earnings per share calculation	11 270 124	11 270 123
Earnings per share - basic/diluted earnings per share (USD)	**-6.62**	**-12.10**

The Board of Directors has proposed that no dividend will be paid for the financial year 2013 (2012: 0). Treasury shares are not included in the weighted average number of shares.

Note 11 – Vessels

(USD '000)

31 December 2013	Vessels	Finance lease vessels	Other fixed assets	Total
At 1 January 2013, net of cost and accumulated depreciation	**706 102**	**152 499**	**205**	**858 807**
Additions (mainly upgrading and docking of vessels)	16 439	2 494	190	19 123
Disposals	-	-31 163	-2	-31 166
Renegotiated leases *	-	-23 910	-	-23 910
Depreciations for the year	-50 235	-6 875	-116	-57 225
At 31 December 2013, net of costs and accumulated depreciation	**672 306**	**93 045**	**278**	**765 628**
At 31 December 2013				
Cost	1 076 296	218 050	1 221	1 295 567
Accumulated impairment	-159 425	-68 020	-	-227 445
Accumulated depreciation	-244 565	-56 986	-943	-302 494
Net carrying amount	**672 306**	**93 045**	**278**	**765 628**
No. of vessels	36	6		42

* Two time charter contracts accounted for as financial leases were renegotiated 2013. The contracts with the disponent owner of the vessels were terminated and new contracts for the same vessels were entered into with the head owner. Under the new contracts, one vessel is classified as a financial lease and the other as an operating lease.

All owned vessels are pledged to secure various loan facilities (refer to note 17 for further information). The Company is not aware of any pledges on financial leased vessels, but such arrangements might however exist.

31 December 2012	Vessels	Finance lease vessels	Other fixed assets	Total
At 1 January 2012, net of cost and accumulated depreciation	**759 500**	**235 637**	**419**	**995 555**
Additions (mainly upgrading and docking of vessels)	14 540	203	63	14 806
Disposals	-16 216	-	-168	-16 384
Depreciations for the year	-51 721	-12 949	-108	-64 779
Impairment	-	-70 391	-	-70 391
At 31 December 2012, net of costs and accumulated depreciation	**706 102**	**152 499**	**205**	**858 807**
At 31 December 2012				
Cost	1 067 345	347 445	1 112	1 415 902
Accumulated impairment	-159 424	-107 638	-	-267 062
Accumulated depreciation	-201 819	-87 308	-906	-290 033
Net carrying amount	**706 102**	**152 499**	**206**	**858 807**
No. of vessels	36	10		46

Vessels
Vessels are depreciated on a straight-line basis. The expected useful life of the vessels is estimated to 25 years. Docking and coating costs are capitalized and depreciated over the estimated period to the next docking or coating (2.5 and 7 years respectively). The expected residual value is USD 325 per light displacement ton (2012: USD 325). Commitments related to lease vessels are described in Note 18. The Company recognized a loss of USD 16.7 million from the early termination of two charter contracts and the renegotiation of two charter contracts (2012: loss USD 10.2 million).

Impairment
The Company has performed an impairment test where the value in use is calculated using estimated cash flows that reflect the Company's expectation of an improved chemical tanker market balance through ample demand growth combined with reduced fleet growth in 2014, and a gradual move towards a normalized market in 2015.

Based on the impairment test, no impairment was recorded in 2013 (2012: impairment loss of USD 70.4 million).

Impairment indicators
The market development has been positive in 2013, as the market balance has improved. Even though we experienced a firmer chemical tanker market overall in 2013, the market is still considered weak. The value of the Company's owned and financial leased vessels based on average broker valuations, was USD 642.0 million at 31 December 2013 (owned vessels: USD 542.4 million, financial leased vessels: USD 99.6 million), compared to a book value of 765.4 million.

Recoverable amount
An impairment test has been performed based on the estimated future value in use of the fleet. The Company has defined the entire fleet as a CGU, due to the Company's operational strategy to manage the fleet as a portfolio and thereby optimizing the portfolio's cash flow and the earnings for the entire Company. As such, the cash inflows of each vessel is dependent of each other. Recoverable amount for vessels in the lease portfolio, where it is assumed that the purchase options will not be exercised, is determined to be the net present value of cash flows to expiry of the lease. The net present value of future cash flows was based on a pre-tax weighted average cost of capital (WACC) of 8.2 per cent in 2013 (2012: 8.0 per cent).

Key assumptions
The estimated cash flows are based on management's best estimate and reflect the Company's expectation that the market will recover to a sustainable level due to improvements in the supply and demand development. The Company expects improved market balance through ample demand growth combined with reduced fleet growth in 2014, and a gradual move towards a normalized market in 2015. Further, it is the Company's expectation that the rates obtained when the market is more balanced will be significantly improved compared to today's weak level. When the market is balanced, we estimate rates corresponding to nominal rates obtained

in 2006/2007, i.e. an average rate level close to USD 16,000 per day. From 2016 and onwards, the model is based on a zero-growth scenario.

The cash flows are estimated over the remaining economic life of the vessels, with an estimated residual value at the end of the economic life based on USD 325 per light displacement ton. For financial leased vessels with purchase options where it is assumed that the options will be exercised and the Company expect the continuing use of the vessel, the cash flows are based on the remaining economic life of the vessels.

The underlying assumptions in the impairment test performed as of year-end 2013 are based on a similar market scenario as the impairment test performed as of year-end 2012.

The WACC was estimated as follows:
Borrowing rate: Debt ratio*(10 years US Government bond + Loan margin)
+ Equity Return: Equity ratio*(10 years US Government bond + Estimated Industry Beta * Market premium)
= WACC

If vessels are sold or disposed in a distressed situation before the estimated improved market rates used in the impairment test has materialized, there is a risk that the company might experience further losses or impairment charges on its vessels.

Sensitivities
A negative shift in the estimated TC rate (see Key assumptions above) from 2014 and onwards of USD 1,000 per day would result in an impairment loss of USD 49.9 million, all other factors held constant. With a negative shift in the estimated TC rate from 2014 and onwards of USD 2,000 per day, all other factors held constant, the average broker values of the fleet would be USD 39.4 million higher than the estimated value in use. A 1.0 per cent point increase in the estimated cost of capital would decrease the fleet's estimated value in use by USD 57.5 million, but no impairment loss would be recognised.

Note 12 – Pensions and other post-employment benefit plans

Pension Cost, Funding and Obligations
The Company has a defined benefit pension plans for employees in Norway. The plan is funded through an insurance company. The plan defines the amount of pension that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation. Some employees in Denmark are part of a contribution plan where the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay future contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods. The implementation of the amended IAS 19 did not have any material effects on the financial position of the Company. Refer to note 8 in the financial statements of the parent for further details on the defined benefit pension plans. As of 31 December 2013 the Company has recorded a net pension liability of USD 0.2 million (2012: USD 0.2 million).

Defined contribution plan
Expenses in 2013 related to contribution plans amount to USD 0.5 million (2012: USD 0.5 million).

Note 13 – Trade and other receivables
(USD '000)

	2013	2012
Trade receivables	35 309	35 095
Accrued income	9 259	9 743
Other receivables	6 108	6 112
Total	**50 675**	**50 951**

The fair value of trade and other receivables is USD 50.7 million (2012: USD 51.0 million). All receivables are non-interest bearing. The majority of the receivables are receivables from customers and generally due within 3 to 30 days after discharge. Demurrage receivables have different payment terms. Ageing of trade receivables as of year-end are as follows:

		Past due, but not impaired		
	Not due	< 90 d	> 90 d	Total
Trade receivables, carrying amount as of 31 December 2013	13 370	12 521	9 418	35 309
Trade receivables, carrying amount as of 31 December 2012	16 815	11 367	6 913	35 095

Trade receivables are impaired individually or collectively. As at 31 December 2013 the provision for loss on debtors amounts to USD 3.2 million (2012: USD 2.9 million). Movements in the provision for impairment of trade receivables are as follows:

	2013	2012
At 1 January	2 913	2 847
Net provision recognised	1 408	1 917
Utilised	-1 097	-1 851
At 31 December	**3 224**	**2 913**

Note 14 – Cash and cash equivalents

(USD '000)

	2013	2012
Cash at bank and in hand	28 530	29 010
Cash at bank, restricted *	1 975	1 807
Employee tax withholding accounts	110	109
Total	**30 615**	**30 926**

* Restricted cash at 31 December 2013 includes a deposit of USD 1.9 million for the exercise of North Contender.

The fair value of cash and cash equivalents is USD 30.6 million (2012: USD 30.9 million). The Company has entered into a working capital facility of USD 30.0 million which was undrawn at 31 December 2012. At 31 December 2013, USD 20.0 million of the available revolving credit facility was undrawn. Subsequent year-end 2013, in total USD 11.0 million of the revolving credit facility has been drawn to cover payment of dry dockings, general working capital requirements and deposits related to the exercise of the North Contender and North Fighter purchase options. Refer to note 17 for further information on the working capital facility.

Note 15 – Share capital and reserves

Authorised shares	Number of shares	NOK '000	USD '000
At 31 December 2011	**1 128 022 323**	**846 017**	**148 037**
Changes in shares and share capital in the period	-	-	-
At 31 December 2012	**1 128 022 323**	**846 017**	**148 037**
Shares issued on 5 February 2013 in connection with reverse split of shares	77	-	-
Reverse split of shares (ratio 100:1) on 5 February 2013	-1 116 742 176	-	-
At 31 December 2013	**11 280 224**	**846 017**	**148 037**

On 5 February 2013 the Company held an extraordinary general meeting whereby a reverse share split in the ratio 100:1 was approved. As of 31 December 2013 the Company has a share capital of NOK 846,016,800, which consists of 11,280,224 each with par value of NOK 75.00.

Shareholder information

Shareholders as of 31 December 2013 are specified below:

Name:	Number of shares	Ownership
Jason Shipping AS	3 835 119	34.0%
Skandinaviska Enskilda Banken AB	563 982	5.0%
Robert Hvide Macleod	349 727	3.1%
Ulsvåg Invest AS	284 925	2.5%
Nordnet Bank AB	156 908	1.4%
Hustadlitt A/S	149 450	1.3%
MP Pensjon PK	140 117	1.2%
Chrisnic Capital AS	136 650	1.2%
Mathias Holding AS	110 000	1.0%
Skandinaviska Enskilda Banken AB (client account)	98 712	0.9%
Other	5 444 534	48.3%
Total numbers of shares excluding treasury shares	**11 270 124**	**99.9%**
Treasury shares at 31 December 2013	10 100	0.1%
Total numbers of shares including treasury shares	**11 280 224**	**100.0%**
Total number of shareholders	2 165	
Foreign ownership	1 381 910	12.3%

Directors and Key Management personnel interest

At 31 December 2013 the Board of Directors and Key Management Personnel held shares and share options in Eitzen Chemical as follows:

Directors and Key Management Personnel	Position	Number of shares	Share options
Aage Rasmus Bjelland Figenschou	Chairman of the Board	-	-
Helene Jebsen Anker	Board member	3 360	-
Heidi Marie Petersen [1)]	Board member	2 500	-
Thor J. Guttormsen	Board member	-	-
Erik Bartnes	Board member	-	-
Jens Grønning	Chief Excecutive Officer	-	-
Andreas Reklev	Chief Financial Officer	19	-
Geir Frode Abelsen	Chief Operating Officer	-	12 000
Thomas Voss	Vice President Chartering	-	2 400
Martin D. Solberg	S.V.P. Finance & Accounting	-	-

[1)] Shares are owned through Luuna AS, a company controlled by Heidi Marie Petersen.

Note 16 – Trade and other payables

(USD '000)

	2013	2012
Trade payables	11 014	16 237
Accrued expenses	31 219	35 609
Deferred income	7 241	5 457
Other payables	1 680	1 265
Total	**51 153**	**58 568**

The fair value of trade and other payables is USD 51.2 million (2012: USD 58.6 million).

Note 17 – Long-term debt

(USD '000)

	2013			2012		
	Current	Non-current	Total	Current *	Non-current	Total
Unsecured bond loan	-	57 352	57 352	112 718	1 611	114 330
Secured bond loan	-	55 758	55 758	-	-	-
USD 510 million senior bank facility	-	283 971	283 971	266 802	2 380	269 182
USD 265 million senior bank facility	-	194 488	194 488	189 956	1 640	191 596
USD 170 million senior bank facility	-	150 635	150 635	160 333	1 278	161 611
USD 30 million working capital facility	-	8 262	8 262	-	-	-
Other loan agreements	-	77 625	77 625	39 984	6 354	46 338
Total long-term loans	**-**	**828 092**	**828 092**	**769 793**	**13 263**	**783 055**
Leasing debt **	42 849	55 113	97 963	12 380	140 149	152 529
Total	**42 849**	**883 205**	**926 055**	**782 173**	**153 412**	**935 585**

* USD 769.8 million of the Company's bank and bond debt was classified as short term debt at year-end 2012 as the new loan agreements with its syndicate banks and the trustee of the bond loan was finalized on 4 January 2013. Accrued interest expenses under the new loan agreements were classified as non-current.

** The obligations under finance leases include the net present value of purchase option rights of USD 71.6 million. USD 37.5 million of the purchase options are classified as current as they are related to two time charter contracts which expire in the first half of 2014.

Included in the facilities above are capitalized margins of USD 41.5 million based on an effective interest rate model (2012: USD 7.2 million).

The table below provides an overview of the contractual undiscounted cash flows for the Company's long-term loans, assuming that the margins are capitalized and payable on the maturity date. For the determination of interest payments, the Company have used LIBOR as at the reporting date. Refer to note 21 for further details on the Company's liquidity risk.

(USD '000)

	2014	2015 *	2016	2017 -	Contractual cash flows	Carrying amount
Unsecured bond loan	17	18	57 375	-	57 410	57 352
Secured bond loan	35	36	76 998	-	77 069	55 758
USD 510 million credit facility	969	22 780	300 884	-	324 632	283 971
USD 265 million credit facility	680	15 298	206 868	-	222 846	194 488
USD 170 million credit facility	536	16 065	156 588	-	173 189	150 635
USD 30 million working capital facility	112	144	15 500	-	15 756	8 262
Other loan agreements	274	14 398	79 354	-	94 027	77 625
Total payments on long-term loans	**2 623**	**68 737**	**893 567**	**-**	**964 928**	**828 092**

* The cash flows in 2015 includes three quarterly instalments. However, the Company has the option to defer three quarterly instalments until maturity in May 2016, with a maximum of two deferrals in one year.

The table below provides an overview of the expected undiscounted cash flows for the financial lease vessels, including service cost element and option payments on vessels where it is assumed that the options will be exercised.

(USD '000)

	2014	2015	2016	2017	2018 -	Expected cash flows	Carrying amount
Total payments on finance lease obligations	52 210	21 578	9 552	9 552	33 847	126 739	97 963

The table below provides an overview of currencies in which the carrying amounts of long-term debt are denominated.

(USD '000)

	2013	2012
US Dollars	821 146	806 954
Japanese Yen	18 501	39 555
Norwegian Kroner	86 408	89 075
Total	**926 055**	**935 585**

The Company was in compliance of its financial covenant relating to its loan agreements at 31 December 2013.

Financial restructuring of bank loan agreements in 2012

In January 2013 the Company concluded a restructuring of the bank and bond debt. The restructuring was based on a slowly improving market, and is expected to secure headroom and stable operations through 2015. The key terms in the restructuring agreement include:

New working capital facility

- The Company secured a new working capital facility of USD 30 million. The facility is split into (i) a term loan facility of USD 10 million and (ii) a revolving credit facility of USD 20 million.
- The new facilities are secured by a first ranking lien in certain of the Company's vessels.
- Maturity of term loan facility is in May 2016 and the revolving credit facility will mature in April 2016, with five quarterly equal reductions to commence from April 2015.
- Payment of interest is under a "pay-as-you-can" structure where the margin of 8.95 per cent p.a. is only payable to the extent it can be paid with excess cash until maturity and LIBOR shall be paid in cash. If not paid in cash the margin will be capitalized and be payable on the maturity date together with an additional margin of 2.05 per cent p.a.
- The new facilities have similar covenants as the senior bank loans.

Restructuring of the bond loan:

- The bond loan comprising a NOK tranche of NOK 490 million (ISIN NO 001033434.5) and a USD tranche of USD 25 million (ISIN NO 001033433.7) was in January 2013 exchanged into (i) a secured loan of approximately USD 50 million and (ii) an unsecured loan of approximately USD 60 million. The secured loan has a third ranking lien security in the Company's vessels (owned through subsidiaries). Eitzen Chemical ASA is the borrower for both loans. The loans have NOK and USD tranches as in the previous bond loan agreement.
- The secured loan will mature in June 2016 with no instalments until maturity. The loan will receive payment-in-kind interest of NIBOR/LIBOR plus 11 per cent p.a. due at maturity.
- The restructured interest terms of the Company's loans were effective from October 2012.
- The unsecured loan will mature in September 2016 with no instalments or interest payments until maturity. If the Company raises new equity (in the form of cash) of at least USD 50 million, the unsecured loan can be called and redeemed in full in exchange for an amount equal to USD 10 million of new equity in the Company.
- The loans do not include any financial covenants.
- The bond restructuring fee agreed in 2009 due in November 2012 were postponed to maturity of the secured loan.

Restructuring of the senior bank loans:

- The senior bank loans consists of the USD 510 million, USD 265 million and USD 170 million bank syndicate loan agreements and the USD 36 million, USD 15 million and USD 4.7 million bilateral loan agreements.
- USD 30 million of the existing senior bank loans with a principal amount of approximately USD 661 million was converted into a third lien loan of USD 30 million. The third lien loan has third lien security in the Company's vessels (owned through subsidiaries).
- Maturities were extended to May 2016 for the existing bank loans and June 2016 for the new third lien loan.
- The grace period with no fixed debt instalments was extended from November 2012 until April 2015. Furthermore, the Company has the option to defer three quarterly instalments until maturity in 2016 (with a maximum of two deferrals in one year).
- Payment of interest is under a "pay-as-you-can" structure where the margin of 2.75 per cent p.a. is only payable to the extent it can be paid with excess cash in the period until 1 January 2015 and LIBOR shall be paid in cash. If not paid in cash the margin is capitalized and payable on the maturity date together with an additional margin of 3.05 per cent p.a. From 1 January 2015, the interest payments will be reset to the pre-restructuring level of LIBOR plus 2.75 per cent p.a.
- The restructured interest terms of the Company's loans were effective from October 2012.
- A new mechanism for sweep of excess cash and potential variable debt amortisation depending on the Company's financial performance was introduced.
- Existing financial covenants was suspended until maturity. The Company has a minimum liquidity covenant of USD 30 million, measured based on the Company's cash and cash equivalents and any undrawn amount under the revolving credit facility of USD 20 million. Further, the Company has a Minimum Value Requirement covenant in the respective loan agreements, where the market value of the collateral vessels for two consecutive quarterly periods must be no less than a predetermined percentage of the outstanding loan amount (excluding capitalized interest). The first measurement is on the basis of the Market Value of the Vessels as per 31 March 2014 and 30 June 2014. However, during the period from 1 January 2014 to 1 January 2016, the Minimum Value Requirement will not be breached if the rate of EBITDAR (EBITDA excluding expenses related to finance lease vessels) to Fixed Charges (cash payments of interest, debt instalments and hire on finance leases) Ratio is at minimum 1:1.
- The bank restructuring fee agreed in 2009 due in November 2012 was postponed to final maturity. The Company agreed to a new restructuring fee of USD 10 million. Approximately USD 4.5 million was paid in January 2013, when the new term loan facility became available, while approximately USD 5.5 million is due on final maturity.

Third lien bank loan:

- USD 30 million of the existing senior bank loans was in January 2013 converted into a new facility in the principal amount of USD 30 million with Eitzen Chemical ASA as borrower and third lien security in the Company's vessels (owned through subsidiaries).
- The loan will mature in June 2016 with no instalments until maturity.
- Payment of interest is under a "pay-as-you-can" structure where the margin of 8.95 per cent p.a. is only payable to the extent it can be paid with excess cash until maturity and LIBOR shall be paid in cash. If not paid in cash the margin will be capitalized and be payable on the maturity date together with an additional margin of 2.05 per cent p.a.
- The loan does not include any financial covenants and ranks pari passu with the secured bond loan described above.

Note 18 – Commitments

Lease commitments

The Company had 13 vessels on lease as per 31 December 2013 (2012: 14), of which 6 (2012: 10) vessels are recorded as financial leases (on balance sheet), and 7 vessels (2012: 4) are recorded as operating leases (off balance sheet).

The vessels are either on bareboat (BB) or time charter (T/C). The Company is responsible for the technical management of the BB vessels, while the leasing counterparts are responsible for the technical management of the TC vessels.

The charters have a firm charter period, and the Company has an option to extend the charter for multiple years for certain vessels. The minimum leasing period and the maximum leasing period are shown in the table below.

Eitzen Chemical has options to purchase all leased vessels except for the Siteam Jupiter and the Siteam Neptun. The first possible purchase date is included in the table below. Under the current loan agreements, the Company needs to obtain consent from a certain majority of the lenders under each of the loans for new investments, including declaring purchase options.

Vessel	DWT	Contract	Lease	Min period end *	Max period end	Latest excercise	Purchase Price **
Sichem Aneline	8 941	BB	Financial	Q3'18	Q3'18	Q3'18	JPY 348M
Sichem Amethyst	8 817	T/C	Financial	Q3'14	Q3'15	Q3'15	JPY 985M
Sichem Mumbai	13 084	BB	Financial	Q4'16	Q4'18	Q4'18	USD 8.5M
Sichem Contester	19 822	T/C	Financial	Q4'14	Q4'19	Q4'19	JPY 1,510M
North Contender	19 925	T/C	Financial	Q4'10	Q1'14	Q1'14	USD 18.8M
North Fighter	19 932	T/C	Financial	Q1'11	Q2'14	Q2'14	USD 18.8M
Sichem Ruby	8 824	T/C	Operational	Q3'14	Q3'14	Q3'14	JPY 1,100M
Sichem Mississippi	12 273	BB	Operational	Q4'28	Q4'28	Q4'28	JPY 1,060M
Sichem Onomichi	13 104	T/C	Operational	Q1'15	Q1'18	Q1'18	USD 16.6M
Sichem Hiroshima	13 000	T/C	Operational	Q2'15	Q2'18	Q2'18	USD 16.6M
Dreggen	19 993	T/C	Operational	Q4'15	Q4'16	Q4'16	JPY 2,920M
Siteam Neptun	48 309	T/C	Operational	Q1'14	Q1'14	No option	No option
Siteam Jupiter	48 309	T/C	Operational	Q1'14	Q1'14	No option	No option

* Maturity date of the firm charter period. Most of the leased vessels have options to extend the charter and option to purchase the vessel on or before the end of the firm charter period.

** The purchase price indicates the option price at the latest possible exercise date

Financial lease commitments

The total balance sheet commitments as per 31 December 2013 were USD 98.0 million (2012: USD 152.5 million).

The table below shows future minimum lease payments, given the expected lease term, for the financial lease vessels and the present value of the net minimum lease payments for different time horizons.

(USD '000)

	2013		2012	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year *	47 153	46 294	21 009	20 502
After one year, but not more than five years	48 350	39 588	108 543	91 537
More than five years	16 608	12 080	52 713	40 490
Total minimum lease payments	112 112	97 963	182 265	152 529
Less amounts representing finance charges	-14 149	-	-29 735	-
Present value of minimum lease payments	97 963	97 963	152 529	152 529

* The current portion of the finance lease obligations as of 31 December 2013, includes purchase options of USD 37.5 million for the North Contender and the North Fighter.

Included in the debt is an unrealised currency loss of USD 0.3 million (2012: loss of USD 9.2 million) related to purchase options nominated in Japanese Yen. The USD/JPY rate was 105.22 per 31 December 2013 (2012: 86.10).

Payment if option on financial leased vessels is exercised
If the Company has an option to purchase a vessel at a price, which at the inception of the lease is expected to be significant lower than the fair value at the date the option becomes exercisable, the lease payments comprise the payment required to exercise the option. Hence, the lease liabilities recorded in the balance sheet consist of one part which is deemed hire payments and one part which is the payment required if the option to purchase the vessel should be exercised. The table below provides an overview of the split between hire payments and payments required if the option is exercised.

(USD million)

	2014	2015	2016	2017	2018 -	Total
Maturity of booked finance lease	46 294	15 898	6 664	6 228	22 878	97 963
Whereof payments if option is excercised	-36 759	-8 364	-	-	-16 162	-61 285
Hire obligation under finance leases	9 535	7 534	6 664	6 228	6 717	36 677

Operating expense commitments on time charter vessels under financial lease:

(USD '000)

	2013	2012
Falling due within one year	4 790	11 981
Falling due between one and five years	8 326	21 996
Falling due after five years	1 424	4 902
Total	**14 540**	**38 880**

Operating lease commitments
The table below provides an overview of the operating lease commitments. The table is divided into charter hire for operating leased vessels on time charter and bareboat charter. Other leases are rent, cars and office equipment.

(USD '000)

	2013	2012
Falling due within one year	16 856	7 201
Falling due between one and five years	6 654	9 036
Falling due after five years	-	-
Charter hire for vessels on time charter (operating lease)	**23 510**	**16 238**
Falling due within one year	3 595	8 826
Falling due between one and five years	14 391	17 529
Falling due after five years	26 691	30 287
Charter hire for vessels on bare-boat charter (operating lease)	**44 678**	**56 641**
Falling due within one year	1 267	890
Falling due between one and five years	2 235	526
Falling due after five years	-	-
Other leases (operating lease) *	**3 502**	**1 416**
Total contractual liabilities (operating lease)	**71 690**	**74 295**

* Other operating leases include premises, cars and office equipment

Note 19 – Financial instruments

Carrying amount and fair value of financial items by class of financial assets and liabilities
The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables and/or borrowings
Long-term fixed-rate and variable-rate receivables and/or borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables

Bond loans
The bond loans consists of a secured tranche and an unsecured tranche. The bonds are not publicly listed after the exchange of bonds on 17 January 2013.

Available-for-sale financial assets
Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques.

Unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases
The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms. The obligations under finance leases as of 31 December 2013 reflects best timing estimate of declaring purchase options. Fair value of the obligations under finance leases are therefore not considered to be materially different from book value as of the reporting date.

The table below provides an overview of the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy. In does not include fair value information for trade receivables, cash and short-term deposits, trade payables and other current liabilities, for which fair value is included in notes 13, 14 and 16, respectively.

(USD '000)

		2013		2012	
	Fair value level	Carrying amount	Fair value	Carrying amount	Fair value
Loans and receivables					
Other receivables	Level 3	-	-	2 000	2 000
Total loans and receivables		**-**	**-**	**2 000**	**2 000**
Financial assets at fair value through profit or loss					
Shares held for trading	Level 2	240	240	230	230
Total financial assets at fair value through profit or loss		**240**	**240**	**230**	**230**
Total financial assets		**240**	**240**	**2 230**	**2 230**
Financial liabilities measured at amortised cost					
Credit facilities		714 981	*	668 726	*
Bond loans		113 111	**	114 330	38 332
Financial lease liabilities	Level 3	97 963	97 963	152 529	152 529
Total financial liabilities measured at amortised cost		**926 055**	*****	**935 585**	*****
Total financial liabilities		**926 055**	*****	**935 585**	*****

* A majority of the Company's debt has traded recently, at values below par value.
** After the exchange of bond loans on 17 January 2013 (refer to note 17), the bond loans are no longer listed on the Oslo Stock Exchange. As such, the determination of fair value is associated with a significant level of uncertainty and we have

not been able to quantify the fair value of the bond loans. However, the bond loans were trading significantly below par value before the above mentioned exchange of bonds, and it is not unreasonable to believe that the fair value of the loans would continue to be below the carrying amount in the current market. Refer to table above for fair value in 2012.

The pricing of the trades in the various loans in 2013 and subsequent year-end 2013, have varied depending upon security for each loan. Exact prices are not available to the Company. The average broker values of the vessels pledged as security for the bank loan portfolio and the secured bond tranche was USD 542.4 million at 31 December 2013.

Except the transfers of the bond loans from Level 1, there have been no transfers between the levels during the period.

Note 20 – Related party disclosures

The consolidated financial statements include the financial statements of Eitzen Chemical ASA and the subsidiaries listed in the table below.

Name	Country of incorporation	% equity interest 2013	% equity interest 2012	% voting rights 2013	% voting rights 2012
Eitzen Chemical Shipholding AS	**Norway**	100 %	**100 %**	100 %	**100 %**
- Eitzen Chemical (Singapore) Pte.Ltd.	Singapore	100 %	100 %	100 %	100 %
- Eitzen Chemical Shipping & Trading (Singapore) Pte.Ltd.	Singapore	100 %	100 %	100 %	100 %
- Sichem Pearl Shipping Co. Pte.Ltd.	Singapore	100 %	100 %	100 %	100 %
- Eitzen Chemical Invest (Singapore) Pte.Ltd.	Singapore	100 %	100 %	100 %	100 %
- Napoli Chemical KS	Norway	100 %	100 %	100 %	100 %
- Napoli Chemical AS	Norway	100 %	100 %	100 %	100 %
- Team Tankers AS	Norway	100 %	100 %	100 %	100 %
- Team Tankers (USA) L.L.C	USA	100 %	100 %	100 %	100 %
- Eitzen Chemical (USA) L.L.C.	USA	100 %	100 %	100 %	100 %
- Eitzen Chemical (Denmark) A/S	Denmark	100 %	100 %	100 %	100 %
- Eitzen Chemical Shipping (Singapore) Pte.Ltd.	Singapore	100 %	100 %	100 %	100 %
- Eitzen Chemical A/S *	Denmark		100 %		100 %
- Eitzen Chemical (Spain) S.A.	Spain	100 %	100 %	100 %	100 %
- Team Shipping AS	Norway	100 %	100 %	100 %	100 %

* Eitzen Chemical A/S was merged with Eitzen Chemical (Denmark) A/S on 25 September 2013.

The table below provides the total amount of transactions which have been entered into with related parties for the relevant financial year.

(USD '000)

Related party	Type of transaction	Sale to / purchase from 2013	Sale to / purchase from 2012	Amounts owed by/-to related 2013	Amounts owed by/-to related 2012
Companies which are a part of the JSHIP Group [1] or controlled by a related party:					
Camillo Eitzen (Danmark) A/S	Office rent	-	-18	-	1
Camillo Real A/S	Office rent	-182	-387	-	61
Camillo Eitzen (Singapore) Pte Ltd	Corporate administration	7	-10	-	-
Aage Figenschou AS [2]	Consultancy services	-109	-98	-	-
Bsc - Bjørn Sjaastad Consulting [3]	Consultancy services	-	-211	-	-

1) Jason Shipping AS holds 34.0 per cent of the shares in the Company.
2) The company is controlled by Chairman of the Board Aage Rasmus Bjelland Figenschou.
3) The company is controlled by former Chairman of the Board Bjørn J. Sjaastad.

Terms and conditions of transactions with related parties
Sales to and purchases from related parties are made at normal market prices. There have been no guarantees provided or received for any related party receivables or payables. The Company has not made any provision for doubtful debts relating to amounts owed by related parties.

Significant influence and dual roles:
- Chairman of the Board Aage R B Figenschou serves as Chairman of the Board of Jason Shipping AS, the Company's largest shareholder.

For remuneration to CEO and Key Management personnel, refer to Group Note 7 and Parent Note 2.

Note 21 – Financial risk management, objectives and policies

Risk management overview
Generally the market conditions for shipping activities are volatile and, as a consequence, the result may vary considerably from year to year. Market risks are related to freight rates, bunker prices and vessel prices, which the Company has no or limited possibilities to influence. In addition the Company is exposed to a number of different financial risks such as liquidity-, interest rate-, and currency risks arising from our normal business activities. Such risks are monitored on a regular basis, and the Company might use financial derivatives to limit the exposure.

Market risks
Freight rate risks
Fluctuations in freight rates are the key factor influencing Eitzen Chemical's cash flow and results. To limit the exposure, the future open ship days are hedged by entering into fixed long-term Contracts of Affreightment (CoA) and time charters. The time charters generate secure cash flow for the period it is effective, while the CoAs have fluctuating cargo nominations, depending on each customer's requirement.

Bunker price risks
The exposure to fluctuations in bunker prices depends on the type of contract. Exposure in a spot trade is taken into consideration when the spot charter rate is determined. The Company seeks to reduce the exposure to fluctuating bunker fuel prices through compensation clauses in contracts with clients. On contracts (CoAs) where this is not possible the Company may use commodity based derivative to reduce the bunker exposure.

Vessel price risks
The risk of changes in the value of the Company's owned and leased vessels are one of Eitzen Chemical's most material risks. At the end of 2013, the Company had 36 owned vessels and 11 leased vessels with purchase option (including financial- and operational leases). The change in asset values will affect Eitzen Chemical's Net Asset Value (NAV), while a change in the value of financial leased vessels will only affect the Company's theoretical NAV.

Financial risks
Liquidity risk
A financial restructuring of the Company's bank and bond debt was concluded in January 2013. Until January 2015, the Company's cash commitments on interest payments are limited to LIBOR on the restructured bank debt. All other interest commitments may accrue on the balance of the bank and bond facilities. Available cash in hand and undrawn amount on the working capital facility is expected to provide sufficient headroom on the minimum cash covenants.

From January 2015, the Company is obliged to pay LIBOR plus a margin of 2.75 per cent on the majority of the loans. Fixed debt instalments will commence in April 2015. However, the Company has the option to defer three quarterly instalments until maturity in May 2016, with a maximum of two deferrals in one year. In 2015, a minimum of USD 14.4 million in instalments are due in in the fourth quarter. Thereafter, all loans mature in 2016. There is significant risk associated with the current leverage of the Company and the liquidity risk inherent in the Company's financial liabilities is considerable.

The current portion of the finance lease obligations as of 31 December 2013 of USD 42.8 million, includes purchase options of USD 37.5 million for the North Contender and North Fighter. Both options have been exercised. Refer to note 22 for further information.

Eitzen Chemical remains confident that the chemical tanker market eventually will benefit from improved market fundamentals and fully recover. However, the Company is dependent on a substantial increase in freight rates compared to today's market to meet its financial liabilities, and even if the market fully recovers, there is considerable uncertainty associated with the Company's ability to cover the total debt with its current capital structure. The Company and its senior lenders started a process to explore opportunities to strengthen the balance sheet and raise new equity so the Company again can invest and add to its asset base and market presence. During this process, a majority of the Company's senior debt has traded. This has created a new dynamic to the process. Eitzen Chemical is currently in dialogue with its creditors to explore various alternatives.

The Company also has a cash covenant which requires that Eitzen Chemical (on a consolidated basis) shall maintain cash and cash equivalents plus any undrawn credit under the first lien revolving credit facility for an amount equal to or greater than USD 30 million in 2013 and until maturity. As of 31 December 2013, the Company's cash position was USD 30.6 million and the first lien USD 20 million revolving credit facility was undrawn. Subsequent year-end 2013, USD 11.0 million of the revolving credit facility has been drawn to cover payment of dry dockings, general working capital requirements and deposits related to the exercise of the North Contender and North Fighter purchase options.

Interest rate risk
The Company's exposure to interest rate risk is related to interest-bearing assets and non-current debt liabilities. A part of the Company's financial strategy is to utilise financial leases, which also limit the interest rate exposures since the leases are at a fixed level throughout the leasing period. As of 31 December 2013, 11 per cent of the debt carried fixed rates (2012: 16 per cent), relating to obligations under financial leases.

The table below shows estimated changes in profit before tax for the Company from reasonable possible changes in interest rates in 2013, with all other variables held constant.

(USD '000)

	Change in Interest rate	2013	2012
USD LIBOR	+ 1.50%	10 701	10 472
	+ 0.75%	5 350	5 236
	- 0.75%	-5 350	-5 236
	- 1.50%	-10 701	-10 472
NIBOR	+ 1.50%	612	1 274
	+ 0.75%	306	637
	- 0.75%	-306	-637
	- 1.50%	-612	-1 274

Currency risk
The Company's functional currency is USD as the majority of the transactions are in USD. Currency risks therefore arise in connection with transactions in other currencies than USD, including administrative expenses, declaration of vessel purchase options denominated in Japanese Yen, and debt financing in other currencies than USD. A significant share of the Company's general and administrative expenses is in other currencies than USD, mainly Singapore Dollar, Danish and Norwegian kroner. Eitzen Chemical may use financial derivatives to reduce the net operational currency exposure.

Eitzen Chemical has issued bonds denominated in NOK. As a result there is a currency exposure related to the bond loan accrued interest and principal which is due in 2016.

As of 31 December 2013, the Company held 84 per cent (2012: 84 per cent) of total cash in USD, 2 per cent (2012: 2 per cent) in Norwegian Kroner, and 14 per cent (2012: 14 per cent) in other currencies.

The following table shows estimated changes in profit before tax for the Company from reasonable possible changes in the US dollar exchange rate within the previous year, with all other variables held constant. Reasonable changes are defined as the standard deviation the five last years before reporting date.

(USD '000)

	Change in currency rate	2013	2012
USDNOK	+ 0.40	5 426	5 935
	- 0.40	-6 101	-6 744
USDDKK	+ 0.30	460	448
	- 0.30	-506	-491
USDJPY	+ 8.0	1 297	3 291
	- 8.0	-1 508	-3 954
USDEUR	+ 0.04	56	93
	- 0.04	-61	-102

Credit risk
The Company's main credit risks are related to payment of freight income. The Company aims at trading with creditworthy counterparties. The credit risk involved in relation to allowing our customer to issue prepaid bills of lading on vegetable oil freights is mitigated by keeping the bill of lading in our control until payments are received. Sometimes it can be possible to take arrest in the cargo after it has been discharged. However, a default of a charterer will always impose potential loss for the Company. The maximum exposure to credit risk is the Trade receivable balance of USD 35.3 million (2012: USD 35.1 million).

Capital management
The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders. Eitzen Chemical manages its capital structure and makes adjustments to it, in light of changes in economic conditions. As of 31 December 2013, the Company's book equity was negative USD 106.8 million (2012: negative USD 32.1 million).

As announced on 24 October 2013, the Company and its senior lenders started a process to explore opportunities to strengthen the balance sheet and raise new equity so the Company again can invest and add to its asset base and market presence. During this process, a majority of the Company's senior debt has traded. This has created a new dynamic to the process. Eitzen Chemical is currently in dialogue with its creditors to explore various alternatives.

The Company believes this is an appropriate time to consider various changes to its capital structure as the current capital structure is such that covering the total debt even with a market recovery is uncertain and restricts its ability to grow and to pursue attractive commercial opportunities. The Company also believes that the present market conditions are favorable with respect to investment in the chemical tanker market and a stronger balance sheet and investment capacity is necessary to carry out the Company's strategy.

Following the recent trade of debt, Evercore Group L.L.C. is mandated solely as the Company's financial advisor to assist in this process.

Note 22 – Subsequent events

Eitzen Chemical has exercised the purchase options of the North Contender (19,925 dwt, built 2005) and the North Fighter (19,932 dwt, built 2006). We have further agreed definitive transaction terms pertaining to the sale of the vessels. The sale of the North Contender was completed in the 1st quarter of 2014, while completion

of the sale of the North Fighter remains conditional upon execution of routine closing, which is scheduled to be completed by the end of the 2nd quarter of 2014. The aggregate sale price for both vessels is USD 44 million, and Eitzen Chemical has leased back both vessels, each for a five year bareboat charter period. The sale of the vessels includes seller's credit to the buyer for a portion of the aggregate purchase price, as well as a repurchase option for each of the vessels by Eitzen Chemical at a predetermined price after a minimum two year charter hold period. The vessels will continue to be classified as financial leases after the transactions.

In February Eitzen Chemical entered into an agreement to charter in the vessel MT UACC Messila (45,335 dwt, built 2012) on a one year time charter.

In March Eitzen Chemical entered into an agreement to charter in the vessel Chem Orion (10,306 dwt, built 1998) on a six month time charter with two optional extension periods of six months.

In 2014, a majority of the Company's senior debt has traded, following which a large portion of the Company's debt is now held by investment funds. Following the trade of debt, Evercore Group L.L.C. has been mandated solely as the Company's financial advisor. If a comprehensive restructuring process is undertaken, the Company will incur significant costs to advisors.

In February and March 2014, the Company has drawn in total USD 11.0 million on its revolving credit facility to cover payment of dry dockings, general working capital requirements and deposit related to the exercise of the North Contender and North Fighter purchase options.

Note 23 – Summary of significant accounting policies

Presentation and classification
Income statement
As permitted by IAS 1 the income statement is prepared based on a mix of nature and function, since this gives the most relevant presentation of the income statement.

Consolidated statement of financial position
Current assets and current liabilities include items due in less than one year from the balance sheet date, items used in the daily operation of the business and assets held primarily for the purpose of being traded. The current portion of long-term debt is classified under current liabilities.

Cash flow statement
The cash flow statement is prepared using the indirect method.

Revenue and expense
All voyage revenues and voyage expenses are recognised on a percentage of completion basis. Eitzen Chemical uses a discharge-to-discharge principle in determining the percentage of completion for all spot voyages and voyages under contracts of affreightment (CoAs). Under this method voyage revenue is recognised evenly over the period from the departure of a vessel from its original discharge port to departure from the next discharge port. For vessels without signed contracts in place at discharge no revenue is recognised before a new contract is signed. Voyage expenses incurred for vessels in the idle time are expensed. Revenues from time charters (T/C) and bareboat charters (BB) accounted for as operating leases are recognised over the rental periods of such charters, as service is performed. Demurrage is included if a claim is considered probable. Losses arising from time or voyage charters are provided for in full when they become probable.

Vessels
Vessels are recorded at historical cost less accumulated depreciation and any accumulated impairment charges. Cost includes expenditures that are directly attributable to the acquisition of the vessels. The cost is decomposed into vessel, docking and coating.

Useful life, depreciation and residual value
All decomposed items are depreciated on a straight-line basis over the useful life of the separate item. Depreciation is based on cost less the estimated residual value. The residual value of the vessels is estimated as the lightweight tonnage of each vessel multiplied by scrap value per ton. The residual values of docking, coating and major improvements are estimated to nil. The residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end.

Impairment of non-financial assets
At each reporting date the Company assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and the net present value (NPV) of future estimated cash flow from the employment of the asset ("value in use"). The NPV is based on a discount rate according to a pre-tax weighted average cost of capital ("WACC") reflecting the Company's required rate of return. The WACC is calculated based on the expected long-term borrowing rate and a risk free rate plus a risk premium for the equity. If the recoverable amount is lower than the book value, an impairment charge is recorded. Impairment losses are recognized in the profit and loss statement. Assets are grouped at the lowest level where there are separately identifiable independent cash flows. We have made the following assumptions when calculating the value in use for material tangible assets:

Future cash flows are based on an assessment of our expected time charter earning and estimated level of operating expenses for each type of vessel over the remaining useful life of the vessel. As the Eitzen Chemical vessels are interchangeable and the regional chemical tankers are integrated with the deep sea chemical tankers through a logistical system, all chemical tankers are seen together as a portfolio of vessels. In addition the pool of officers and crew are used throughout the fleet. Eitzen Chemical has a strategy of a total crew composition and how the crew is dedicated to the individual vessels varies. As a consequence, vessels will only be impaired if the total value of the fleet of vessels based on future estimated cash flows is lower than the total book value.

An impairment loss recognised in prior periods for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Derecognition
Components of vessels are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset is included in the income statement in the year it is derecognised.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date. Leases are classified as financial leases if the terms of the lease agreement transfers substantially all the risks and rewards incidental to ownership of an asset. All other leases are classified as operating lease.

Financial leases are capitalised at inception of the lease at the fair value of the leased vessel or, if lower, at the present value of the minimum lease payments. The corresponding lease obligation is recognised as a liability in the balance sheet. Lease payments are split between interest cost and reduction of the lease liability. Interest cost is recognized in the income statement.

Financial leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. For operating leases, the payments (time charter hire or bareboat hire) are recognised as an expense on a straight line basis over the term for the lease.

Foreign currency translation
Functional currency
Each entity in Eitzen Chemical determines its own functional currency, and items included in the financial statements of each entity are measured using their functional currency. The functional currency is the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in US Dollars which is the group's presentation currency.

Transactions and balance sheet items
Transactions in foreign currencies are recorded in the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange prevailing at the balance sheet date. All differences are recognized in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Subsidiary companies in foreign currency
For foreign operations with functional currency other than the presentation currency of Eitzen Chemical (USD), balance sheet items are translated into USD at the rate of exchange at the balance sheet date, and income statements are translated at the weighted average exchange rate for the year. The exchange differences arising on the translation are recorded directly as other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Financial assets
Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets. Financial assets classified at fair value through profit and loss are initially recognised at fair value. Other financial assets are initially recognised based on fair value plus directly attributable transaction costs. Eitzen Chemical determines the classification of its financial assets after initial recognition and, where allowed and appropriate, revaluates this designation at each financial year end. All purchases and sales of financial assets are recognised at the trade date i.e. the date that Eitzen Chemical commits to purchase the asset. Purchases or sales; are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Fair value
A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the management use market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly (i.e as prices) or indirectly observable (i.e. derivated from prices).

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Further information about the assumptions made in measuring fair values in included in note 19.

From time to time the Company may enter into financial instruments in order to hedge a portion of its exposure to bunker prices. Fair value changes of the financial instruments are recognized through profit and loss under other financial items.

Amortised cost
Loans and receivables are measured at amortised cost and are computed using the effective interest method less any allowance for impairment. The calculation considers any premium or discount on acquisition and includes transaction cost and fees that are an integral part of the effective interest rate.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Eitzen Chemical provides money, goods or services directly to a debtor with no intention of trading the receivables.

Impairment of financial assets
Eitzen Chemical assesses at each balance sheet date whether an asset or portfolio of assets are impaired. A portfolio is the lowest levels for which there are separate identifiable cash flows (cash-generating units).

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not occurred) discounted at the financial asset's original effective interest rate i.e. the effective interest rate computed at initial recognition). If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Inventories
Inventories consist of bunker fuel, lubricating oils, stores and other supplies. Inventories are valued at the lower of cost and net realisable value. Cost is determined as a first-in, first-out (FIFO) basis.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents, net of outstanding bank overdrafts.

Provisions
Provisions are recognised when Eitzen Chemical has a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation has to be settled and that a reliable estimate of the obligation can be made.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker whom is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Taxes
Income tax
Tax payable for the current and prior periods is measured at the amount paid or expected to be paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date. Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority, and are the basis for deferred tax assets for the Company. The Company's total deferred tax assets and liabilities are measured at the tax rates that are expected to apply at the time when the asset is realized or

the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets made probable through prospective earnings, and which can be utilized against the tax reducing temporary differences are recognized as intangible assets. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. The carrying amount of the tax positions in local currency are translated to USD applying the rate of exchange at year-end. Eitzen Chemical's main shipping activity is in Singapore, Denmark and Norway. Eitzen Chemical has also taxable activities in the United States.

Income tax relating to items recognized directly in equity or other comprehensive income is recognized in equity and not in the income statement.

Singapore AIS tax scheme
The Company is granted the status of Approved International Shipping Enterprise (AIS) In Singapore. All qualified shipping income derived from the shipping activity is exempt from taxation for the duration of the AIS status. The AIS status has been granted for a period of ten years commencing November 2004. There is no tax on dividend paid from the Singapore companies to the parent companies in Singapore and Norway.

Danish tax scheme
The companies in Denmark are taxable according to the normal company tax scheme. The corporate tax rate is 25 per cent.

Norwegian tax scheme
The activities in Norway are taxable in accordance with the normal company tax scheme. The tax rate was 28 per cent. Effective from 1 January 2014, the tax rate is 27 per cent.

US tax scheme
The commercial management activities are taxable in accordance with the normal tax scheme. The tax rate is approximately 35 per cent.

Note 24 – Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group
The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2013.

- *IAS 19 – Employee benefits*
  This standard was amended in June 2011. The amendments range from fundamental changes such as: to eliminate the corridor approach and recognize all actuarial gains and losses in Other Comprehensive Income as they occur; to immediately recognize all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The implementation of the amended standard did not have any material effects on the financial position of the Company, and the standard is accordingly not applied retrospectively. The Company has recognized the impact of these changes as of the date of application (1 January 2013) against the opening balance in equity. Refer to the Statement of Changes in Equity for the effect of the implementation of the standard.

- *IFRS 13 – Fair Value Measurement*
  This standard established a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company has implemented the standard in its financial reporting, but the implementation of the standard did not have an impact on the financial position of the Company.

(b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2013 but not currently considered relevant to the group (although they may affect the accounting for future transactions and events)

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2013 or later periods.

- IFRS 7 *Financial instruments – Disclosure* (amendment), applies to annual periods beginning on or after 1 January 2013. The standard amends the disclosure requirements to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32.

(c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2013 and not early adopted.

- *IFRS 10 – Consolidated Financial Statements*
  This standard replaces the portion of IAS 27 – Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The application of this standard will not have an impact on the financial position of the Group. This standard becomes effective for annual periods beginning on or after 1 January 2014.

- *IFRS 11 – Joint Arrangements*
  This standard replaces IAS 31 – Interest in Joint Ventures and SIC-13 – Jointly-controlled Entities – Non-monetary Contributions by Venturers. It removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this standard will not have an impact on the financial position of the Group. This standard becomes effective for annual periods beginning on or after 1 January 2014.

- *IFRS 12 – Disclosures of interest in other entities*
  This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The application of this standard will not have an impact on the financial position of the Group. This standard becomes effective for annual periods beginning on or after 1 January 2014.

- *IAS 28 – Investment in Associates and Joint Ventures*
  As a consequence of the new standards IFRS 11 and IFRS 12, IAS 28 has been renamed and describes the application of the equity method to investments in joint ventures in addition to associates. The application of this amended standard will not have an impact on the financial position of the Group. The amendments becomes effective for annual periods beginning on or after 1 January 2014.

- *IAS 36 – Impairment of assets*
  IAS 36 is amended to address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. These amendments are issued to align the disclosure requirements in IAS 36 with the IASB's original intention when consequential amendments to IAS 36 were made as a result of the issuance of IFRS 13 Fair Value Measurement. The amendments are effective for annual periods beginning on or after 1 January 2014.

- *IFRS 9 Financial Instruments: Classification and Measurement*
  IFRS 9, as issued, reflects the two first phases of IASB's work on the replacement of IAS 39, which are classification and measurement of financial assets and financial liabilities and hedge accounting. Third

and last phase of this project will address amortised cost measurement and impairment of financial assets. The mandatory effective date of IFRS 9 has been removed to allow sufficient time for entities to prepare to apply the new Standard. The IASB have decided that a new date should be decided upon when the entire IFRS 9 project is closer to completion. The Company will evaluate potential effects of IFRS 9 as soon as the final standard, including all phases, is issued.

- *Improvements to IFRSs*
  The amendments to the following standards resulting from IASB's Annual Improvement projects becomes effective for annual periods beginning on or after 1 July 2014. The application of these amendments will not have an impact on the financial position of the Group.
  - *IFRS 2 Share-based Payment* – Definition of performance conditions and service conditions.
  - *IFRS 3 Business Combinations* – Accounting for contingent consideration in a business combination and scope of exception for joint ventures.
  - *IFRS 8 Operating Segments* – Accounting for contingent consideration in a business combination and reconciliation of the total of the reportable segments' assets to the entity's assets.
  - *IFRS 13 Fair Value Measurement* – Fair value measurement of short-term receivables and payables.
  - *IAS 16 Property, Plant and Equipment* – Proportionate restatement of accumulated depreciation under the revaluation method.
  - *IAS 24 Related Party Disclosures* – Clarification regarding management entities.

There are no other IFRSs or IFRIC interpretations that are not yet effective that is expected to have a material impact on the Group.

Income Statement – Parent Company

(NOK '000, except per share data)

	Note	2013	2012
Management fees and other income		40 270	23 194
Remuneration	2	-19 351	-17 656
General and administrative expenses	2	-21 755	-17 265
EBITDA (Earnings before interest, taxes, depreciation and amortisation)		**-835**	**-11 727**
Depreciation	3	-44	-26
EBIT (Earnings before interest and taxes)		**-879**	**-11 753**
Impairment financial assets	6, 7	-258 437	-10 468
Loss on disposal of financial assets	6	-	-760 436
Interest income	4	54 352	39 977
Interest expenses	4	-63 177	-36 984
Other financial items	4	18 206	-44 376
Profit (loss) before taxes		**-249 935**	**-824 039**
Income tax expenses	5	-	-
Net profit (loss)		**-249 935**	**-824 039**
Attributed to retained losses		-249 935	-824 039
Earnings per share – basic/diluted earnings per share	11	NOK -22.18	NOK -73.12

See accompanying notes that are an integral part of these financial statements.

Statement of Financial Position – Parent Company

(NOK '000)

	Note	31/12/2013	31/12/2012
ASSETS			
Property, plant and equipment	3	120	163
Total tangible non-current assets		**120**	**163**
Receivables, Group companies	7	458 013	456 563
Total financial non-current assets		**458 013**	**456 563**
Total non-current assets		**458 132**	**456 726**
Other receivables		2 045	6 363
Cash and short-term deposits		4 699	18 095
Total current assets		**6 744**	**24 459**
TOTAL ASSETS		**464 876**	**481 185**
EQUITY AND LIABILITIES			
Share capital		846 017	846 017
Treasury shares		-758	-758
Total paid in capital		**845 259**	**845 259**
Retained losses		-1 311 514	-1 061 240
Total equity	11	**-466 255**	**-215 981**
Long-term debt	9	894 878	8 969
Loans, Group companies	7	26 292	17 620
Pension liability	8	1 377	1 125
Total non-current liabilities		**922 546**	**27 713**
Short-term debt and current portion of long-term debt	9	-	627 406
Trade and other payables		8 585	42 047
Total current liabilities		**8 585**	**669 453**
Total liabilities		**931 132**	**697 166**
TOTAL EQUITY AND LIABILITIES		**464 876**	**481 185**

See accompanying notes that are an integral part of these financial statements.

Cash Flow Statement – Parent Company

(NOK '000)

	Note	2013	2012
Profit/loss (-) before taxes		-249 935	-824 039
Impairment of financial assets	6, 7	258 437	10 468
Loss on disposal of financial assets	6	-	760 436
Depreciation	3	44	26
Interest expenses	4	63 177	36 984
Interest income	4	-54 352	-39 977
Foreign currency (gain) loss		-26 604	20 832
Other adjustments		-	20 657
Change in pension liability		252	-2 245
Change in current assets		4 318	-3 653
Change in current liabilities		-33 462	25 450
Net cash flows from operating activities		**-38 125**	**4 937**
Net cash flows from intercompany debt and receivables		-139 735	-180 660
Interest received		45	39 977
Net cash flows from investing activities		**-139 690**	**-140 683**
Loan proceeds		166 984	-
Payment of other financial costs		-1 849	-21 441
Interest paid		-422	-37 255
Net cash flows from financing activities		**164 714**	**-58 695**
Net change in cash and cash equivalents		**-13 101**	**-194 441**
Effect of exchange rate changes on cash		-295	-3 471
Cash and cash equivalents at 1 January		18 095	216 007
Cash and cash equivalents at 31 December		**4 699**	**18 095**
Of which:			
Restricted bank deposits including employee tax withholding accounts		1 279	5 378

See accompanying notes that are an integral part of these financial statements.

Notes to the Financial Statements – Parent Company

Note 1 – Summary of significant accounting policies

General
The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP). The Financial Statements for the Parent Company is reported in NOK.

Revenue recognition
Management fee and other income are recognised at the time of delivery of the services.

Use of estimates
Management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway. The preparation of the financial statements is based on available information at the time of finalising the financial information. Actual outcome may differ. The effects of changes in accounting estimates are accounted for in the same period at the estimates are changed.

Foreign currencies
Amounts in currencies other than NOK are translated into NOK at the exchange rate at the date of the transaction. Realised and unrealized currency gains and losses are recognised in the profit and loss account as financial income and expenses. Short-term accounts receivable and payable in other currencies than NOK are stated at the rate of exchange at the balance sheet date or at the hedged rate.

Income tax
The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been off set. The disclosure of deferred tax benefits on net tax reducing differences which have not been offset, and carry forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net. Deferred tax is reflected at nominal value.

Balance sheet classification
Current assets and short term liabilities consist of receivables and payables due within one year. Other balance sheet items are classified as non-current assets / liabilities. Current assets are valued at the lower of cost and fair value. Current term liabilities are recognized at nominal value. Non-current assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognized at nominal value.

Property, plant and equipment
Property, plant and equipment are capitalised and depreciated over the estimated useful economic life. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Depreciation is recognised on a straight-ling basis provided over the expected useful lives of the individual assets less estimated scrape value on the date of purchase, using the following useful lives:

Operating equipment	3–10 years
Computer hardware and software	3–5 years

Investments in subsidiaries
Subsidiaries and investments in associates are valued at cost in the Company accounts. The investments are valued at cost less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if there is an indication that the economic circumstances under which the impairment loss were provided for have changed. Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Pension cost, funding and obligations
The company has set up a defined benefit scheme with a life insurance company to provide pension benefits for its employees. The scheme provides entitlement to benefits based on future service from the commencement date of the scheme. These benefits are principally dependent on an employee's pension qualifying period, salary at retirement age and the size of benefits from the National Insurance Scheme. Full retirement pension will amount to approximately 66 per cent of the scheme pension-qualifying income (limited to 12G). The scheme also includes entitlement to disability, spouses and children's pensions. The retirement age under the scheme is 67 years.

The company may at any time make alterations to the terms and conditions of the pension scheme and undertake that they will inform the employees of any such changes. The benefits accruing under the scheme are funded obligations. The company recognises remeasurement gains and losses arising on the defined benefit pension plan directly in equity.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

The cash flow statement is prepared using the indirect method.

Treasury shares
Treasury shares are recognised as a separate component of equity at cost. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of own equity instruments. Any differences between the carrying amount and the consideration are recognised in other equity.

Related parties
All transactions between related parties are based on the arm's length principle, which means that they are recorded at (estimated) market value.

Note 2 – Salaries and remuneration

(NOK '000)

	2013	2012
Wage and salaries	16 738	14 218
Social security contributions	1 952	2 876
Other	660	562
Total salaries	**19 351**	**17 656**

The average number of employees in 2013 was 8 (2012: 7).

	Remuneration	Pension	Bonus	Total
Executive Management				
Andreas Reklev, CFO	2 060	83	1 545	3 688
Geir Frode Abelsen, COO	2 008	174	925	3 108
Martin D. Solberg, SVP	1 463	120	700	2 282
Board members				
Aage Rasmus Bjelland Figenschou [1)]	450	-	-	450
Helene Jebsen Anker	350	-	-	350
Heidi Marie Petersen	330	-	-	330
Thor J. Guttormsen (from 25 June 2013)	154	-	-	154
Erik Bartnes (from 25 June 2013)	154	-	-	154
Carl Erik Steen (until 25 June 2013)	146	-	-	146
Total remunerations	**7 115**	**378**	**3 170**	**10 663**

[1)] In addition to ordinary board fee, Aage R. B. Figenschou received NOK 2.2 million in compensation for consultancy services in 2013.

The Company purchased CEO services from its subsidiary Eitzen Chemical (USA) L.L.C until the resignation of the former CEO in 2013. Effective from 11 November 2013, the Company purchases CEO services from its subsidiary Eitzen Chemical (Denmark) A/S. Refer to note 12 for further information.

Currently the Chairman of the Board receives an annual remuneration of NOK 450,000 and the other board members will receive an annual remuneration of NOK 300,000. The Chairman of the Audit Committee receives an annual remuneration of NOK 50,000 and other members receive NOK 30,000. The Chairman of the Compensation Committee receives an annual remuneration of NOK 10,000 and other members receive NOK 7,500.

The Board of Directors' statement of guidelines for the remuneration of the Executive Management Pursuant to section 6-16a if the Public Limited Companies Act, the board of directors must draw up a statement of guidelines for the payment and other remuneration of Executive management. Furthermore, section 5-6 (3) of the same Act prescribes that an advisory vote must be held at the AGM on the board's guidelines for the remuneration of the Executive Management for the next financial year. To the extent the guidelines concern share-based incentive arrangements theses must also be approved by the AGM.

Regarding guidelines for remuneration to the Executive Management for the next financial year, the board will present the following guidelines to the AGM in 2014 for an advisory note.

- Remuneration to the CEO shall be decided by the Board in a Board meeting.
- Remuneration to other members of the Executive Management will be decided by the CEO on relevant directions approved by the Board. The remuneration shall be on market terms.
- The remuneration shall encourage value creation for the Company and all bonus agreements shall be linked to value creation for the Company.

Share-based payment plan

Eitzen Chemical has a share option program for the Company's key management personnel. No share option program has been set up for the Board of Directors. See note 7 in the financial statement for the Group for further information.

Remuneration to the auditor (ex VAT)

	2013	2012
Statutory audit	511	825
Other assurance services	-	147
Tax advisory services	6	-
Other non-audit services	-	-
Total	**517**	**972**

Note 3 – Property, plant and equipment

(NOK '000)

	2013	2012
At 1 January, net of accumulated depreciation	163	857
Additions	-	189
Disposals	-	-857
Depreciation for the year	-44	-26
At 31 December, net of accumulated depreciation	**120**	**163**
At 31 December		
Cost	738	738
Accumulated depreciation	-619	-575
Net carrying amount	**120**	**163**

Fixed assets are depreciated on a straight-line basis. The useful life of the assets is estimated to be 3-10 years.

Note 4 – Financial income and expenses

(NOK '000)

Interest income

	2013	2012
Interest income, intercompany receivables	54 307	39 475
Bank interest	45	502
Total interest income	**54 352**	**39 977**

Interest expenses

	2013	2012
Interest expenses, bank and bond loans	-62 490	-36 247
Interest expenses, intercompany loans	-685	-733
Other interest	-1	-4
Total interest expenses	**-63 177**	**-36 984**

Other financial items

	2013	2012
Net currency gain/(loss)	26 604	-20 832
Other financial expenses	-8 397	-23 544
Total other financial items	**18 206**	**-44 376**

The net currency gain is primarily related to intercompany receivables and debt in USD.

Note 5 – Taxes

(NOK '000)

Income tax expense include the following items	**2013**	**2012**
Tax payable	**-**	**-**
Income tax expense	-	**-**
Profit before tax	-249 935	-824 039
Non-deductible expenses	165	3 138
Permanent differences	258 437	-864 320
Change in temporary differences	-3 121	-2 844
Taxable income	**5 546**	**-1 688 066**
Use of tax loss carried forward and other tax credits	-5 546	**-**
Taxable income	**-**	**-1 688 066**

Effective tax rate	**2013**	**2012**
Profit before taxes	-249 935	-824 039
Expected income tax based on a tax rate of 28 %	-69 982	-230 731
Non-deductible expenses	46	879
Taxable gain (loss) from subsidiaries	-	-143
Tax effect of asset impairment	72 362	2 931
Tax effect of disposal of financial assets	-	-244 798
Tax loss carried forward and other tax credits	-1 553	472 658
Tax effect of changes in other temporary differences	-874	-796
Income tax expense	**-**	**-**
Effective tax rate in %	0 %	0 %

Deferred tax assets/(liabilities)	**2013**	**2012**
Fixed assets	5	9
Pension obligation	372	315
Capitalized transaction costs	-179	-491
Other current assets and liabilities	0	1 245
Tax loss carried forward	514 669	535 426
Deferred tax assets/(liabilities)	**514 866**	**536 504**
Deferred tax assets not recorded in balance sheet	-514 866	-536 504
Deferred tax assets in balance sheet	**-**	**-**

In 2012, Eitzen Chemical ASA realized a loss from an internal sale of shares in subsidiaries, due to a company restructuring following the new loan agreements with the lenders of the Eitzen Chemical Group. Refer to note 6 for further information. In the tax return for 2012 Eitzen Chemical ASA claimed a tax loss from the transaction of NOK 1,634 million. Total loss carried forward as of 31 December 2013, including the tax loss of NOK 1,634 million, is NOK 1,906 million.

Note 6 – Investments in subsidiaries

In December 2012, the Company sold its investments in Team Shipping AS, Eitzen Chemical (Denmark) A/S, Napoli Chemical KS, Napoli Chemical AS, Eitzen Chemical (Singapore) Pte. Ltd. and Eitzen Chemical Invest (Singapore) Pte. Ltd. to its wholly owned subsidiary Eitzen Chemical Shipholding AS. The company restructuring followed the new loan agreements with the lenders of the Eitzen Chemical Group.

(NOK '000)

Subsidiaries	**Country of incorporation**	**Year of acquisition**	**Nominal share capital**	**Interest**	**Carrying value 2013**	**Carrying value 2012**
Eitzen Chemical Shipholding AS	Norway	2006	NOK 40 100	100 %	-	-
Total interest in subsidiaries					**-**	**-**

Loss on disposal of financial assets

	2013	2012
Team Shipping AS	-	-306
Eitzen Chemical (Danmark) A/S	-	-47 149
Napoli Chemical AS	-	-100
Eitzen Chemical (Singapore) Pte.Ltd.	-	-712 643
Eitzen Chemical Invest (S) Pte.Ltd.	-	-238
Total loss on disposal of financial assets	**-**	**-760 436**

Note 7 – Receivables and debt to group companies

(NOK '000)

	2013	2012
Eitzen Chemical (Singapore) Pte.Ltd.	428 095	433 884
Eitzen Chemical (Denmark) A/S	4 193	-
Eitzen Chemical Invest (S) Pte.Ltd.	25 724	22 140
Sichem Pearl Shipping Co. Pte.Ltd.	-	539
Team Shipping AS	-385	-426
Napoli Chemical AS	-	-50
Eitzen Chemical (USA) L.L.C.	-25 907	-17 101
Eitzen Chemical (Spain) S.A.	-	-42
Receivables from Group companies	458 013	456 563
Debt to Group companies	-26 292	-17 620
Net receivables from Group companies	**431 721**	**438 943**

The Group debt and receivables are interest-bearing. The debt is denominated in USD.

Impairment of receivables from Group companies

	2013	2012
Eitzen Chemical A/S	-	11 925
Eitzen Chemical (Singapore) Pte.Ltd.	-224 200	-
Sichem Pearl Shipping Co.Pte.Ltd.	-1 136	-
Napoli Chemical KS	-33 100	-22 393
Total impairment receivables from Group companies	**-258 437**	**-10 468**

Note 8 – Pensions and other post-employment benefit plans

The company has set up a defined benefit scheme with a life insurance company to provide pension benefits for its employees. The Company's funds are managed by an independent life insurance company that invests the Company's funds according to Norwegian law. All employees are part of the pension scheme. The scheme provides entitlement to benefits based on future service from the commencement date of the scheme.

(NOK '000)

	2013	2012
Net benefit expense (recognised in administration expenses):		
Current service cost	657	1 190
Interest cost	5	139
Expected return on plan assets	-	-94
Administration fee	10	25
Amortization of actuarial losses/(gains)	-	663
Payroll taxes	93	174
Total pension cost (- income)	**766**	**2 098**
The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	3 844	2 302
Fair value of plan assets	-2 638	-1 713
	1 207	**589**
Unrecognised actuarial gains/(losses)	-	453
Payroll taxes	170	83
Net benefit obligation (asset)	**1 377**	**1 125**
Net benefit obligation is classified in the balance sheet as follows:		
Asset	-	-
Liability	1 377	1 125
	-1 377	**-1 125**

In the balance sheet a net pension asset in one scheme is only offset against an obligation in another scheme to the extent that it is possible to fund the net obligation scheme with the assets.

Changes in the present value of the defined benefit obligation (DBO):	**2013**	**2012**
Beginning of year	2 302	3 721
Current service cost	657	1 062
Interest cost	90	97
Actuarial losses (gain)	-	-2 577
Remeasurements	795	-
End of year	**3 844**	**2 302**
Changes in the fair value of plan assets are as follows:		
Beginning of year	1 713	2 227
Interest income	84	94
Actuarial (losses)/gains	-	-1 423
Remeasurements	132	-
Contribution	747	837
Administration	-40	-22
End of year	**2 637**	**1 713**
The principal actuarial assumptions used were as follows:		
Discount rate	4.00 %	3.90 %
Expected return on plan assets	4.00 %	4.00 %
Future salary increases	3.75 %	3.50 %
Future pension increases	0.60 %	0.20 %

The assumptions used for life expectancy and disability are standardised assumptions well known in the insurance business. The Company's pension scheme qualifies as mandatory occupational pension according to the Norwegian law regulations.

Reconciliation of pension liability in balance sheet	**2013**	**2012**
Pension liability at end of last year	1 125	3 370
Implementation of revised IAS19	-453	-
Pension liability at beginning of year	**672**	**3 370**
Cost in financial statement	766	2 098
Contribution	-853	-4 343
Remeasurements recognized directly in equity	791	-
Pension liability at end of year	**1 377**	**1 125**
Remeasurements at beginning of year	-	-
Actuarial loss on DBO from demographic assumptions	479	-
Actuarial loss on DBO from financial assumptions	260	-
Actuarial loss on DBO from experience adjustments	169	-
Gain on plan assets during year	-40	-
Return on plan assets excluding interest income	-111	-
Administrative expenses related to plan assets	35	-
Remeasurements recognized directly in equity	-791	-
Remeasurements at end of year	**-**	**-**

Note 9 – Long-term debt

NOK 627.4 million of the Company's bond debt was classified as short term debt at year-end 2012 as the new loan agreements with the trustee of the bond loan was finalized on 4 January 2013 and the exchange of bonds was implemented on 17 January 2013.

The Company was in compliance its financial covenant relating to its loan agreements at 31 December 2013.

Financial restructuring of loan agreements

In January 2013 the Company concluded a restructuring of the bank and bond debt. The restructuring was based on a slowly improving market and is expected to secure headroom and stable operations through 2015. The key terms in the restructuring agreement include:

Restructuring of the bond loan:

- The bond loan comprising a NOK tranche of NOK 490 million (ISIN NO 001033434.5) and a USD tranche of USD 25 million (ISIN NO 001033433.7) was in January 2013 exchanged into (i) a secured loan of approximately USD 50 million and (ii) an unsecured loan of approximately USD 60 million. The secured loan has a third ranking lien security in the Company's vessels (owned through subsidiaries). Eitzen Chemical ASA is the borrower for both loans. The loans have NOK and USD tranches as in the previous bond loan agreement.
- The secured loan will mature in June 2016 with no instalments until maturity. The loan will receive payment-in-kind interest of NIBOR/LIBOR plus 11 per cent p.a. due at maturity.
- The restructured interest terms of the Company's loans were effective from October 2012.
- The unsecured loan will mature in September 2016 with no instalments or interest payments until maturity. If the Company raises new equity (in the form of cash) of at least USD 50 million, the unsecured loan can be called and redeemed in full in exchange for an amount equal to USD 10 million of new equity in the Company.
- The loans do not include any financial covenants.
- The bond restructuring fee agreed in 2009 due in November 2012 were postponed to maturity of the secured loan.

Third lien bank loan:

- USD 30 million of the Eitzen chemical Group's existing senior bank loans was in January 2013 converted into a new facility in the principal amount of USD 30 million with Eitzen Chemical ASA as borrower and third lien security in the Group's vessels (owned through subsidiaries).
- The loan will mature in June 2016 with no instalments until maturity.
- Payment of interest is under a "pay-as-you-can" structure where the margin of 8.95 per cent p.a. is only payable to the extent it can be paid with excess cash until maturity and LIBOR shall be paid in cash. If not paid in cash the margin will be capitalized and be payable on the maturity date together with an additional margin of 2.05 per cent p.a.
- The loan does not include any financial covenants and ranks pari passu with the secured bond loan described above.

Note 10 – Commitments and guarantee

Eitzen Chemical ASA is the guarantor of some of the loans in the Company; the guarantees are listed below;

- Eitzen Chemical (Singapore) Pte Ltd. has a USD 510 million facility agreement with final maturity in May 2016. Eitzen Chemical ASA is the guarantor of the loan. The facility has a second ranking lien security inter alia in vessels and proceeds from the vessels.
- Eitzen Chemical (Singapore) Pte Ltd. has a USD 265 million credit facilities agreement with final maturity in May 2016. Eitzen Chemical ASA is the guarantor of the loan. The facility has a second ranking lien security inter alia in vessels and proceeds from the vessels.
- Eitzen Chemical (Singapore) Pte Ltd. has a USD 170 million credit facilities agreement with final maturity in May 2016. Eitzen Chemical ASA is the guarantor of the loan. The facility has a second ranking lien security inter alia in vessels and proceeds from the vessels.
- Napoli Chemical KS has a loan agreement of USD 36 million for the purpose of financing the purchase of four vessels. The loan has a second ranking lien security inter alia in vessels. Final maturity is in May 2016.

- Eitzen Chemical Invest (Singapore) Pte. Ltd, the new vessel owning entity of the vessel Tour Pomerol has entered into a loan agreement of USD 4.7 million. The loan has a second ranking lien security inter alia in the vessel Tour Pomerol. Final maturity is in May 2016.
- Sichem Pearl Shipping Co. Pte. Ltd. has entered into a loan agreement in the amount of USD 15 million. The loan has a second ranking lien security inter alia in the vessel Sichem Croisic. Final maturity is in May 2016.
- Eitzen Chemical (Singapore) Pte. Ltd. has secured a working capital facility of USD 30 million. The facility is split into (i) a term loan facility of USD 10 million and (ii) a revolving credit facility of USD 20 million. The facility was undrawn as of year-end 2012. Eitzen Chemical ASA is one of the guarantors of the loan. Final maturity of the term loan facility is May 2016 and the revolving credit facility will mature in April 2016. The loan is secured by a first ranking lien in the Company's vessels.

Eitzen Chemical ASA is the guarantor for the Sichem Mississippi charter party commitments, on behalf of the subsidiary Eitzen Chemical Singapore Pte. Ltd. As of 31 December 2013, no provisions are made for the guarantees.

Eitzen Chemical ASA has a potential liability for 75 per cent of the unpaid corporate capital commitment in Napoli Chemical KS of NOK 16.5 million. Eitzen Chemical ASA sold its share in Napoli Chemical KS to Eitzen Chemical Shipholding AS in 2012, but is still jointly liable for the unpaid corporate capital commitment. As of 31 December 2013, no provisions are made for the potential liability.

Note 11 – Equity

On 5 February 2013 the Company held an extraordinary general meeting whereby a reverse share split in the ratio 100:1 was approved. As of 31 December 2013 the Company has a share capital of NOK 846,016,800, which consists of 11,280,224 each with par value of NOK 75.00.

(NOK '000)

	Share capital	Retained losses	Total
Equity as of 1 January 2012	845 259	-237 200	608 059
Result of the year	-	-824 039	-824 039
Equity as of 31 December 2012	**845 259**	**-1 061 240**	**-215 981**
Actuarial gains on defined benefit pension plans	-	453	453
Equity as of 1 January 2013	**845 259**	**-1 060 788**	**-215 529**
Actuarial losses on defined benefit pension plans	-	-791	-791
Result of the year	-	-249 935	-249 935
Equity as of 31 December 2013	**845 259**	**-1 311 514**	**-466 255**

For further information refer to the description in note 15 in the financial statements for the Group.

Refer to note 7 in the financial statement for the Group for information on shareholders as of 31 December 2013.

Earnings per share
Basic and diluted earnings per share are calculated by dividing net profit (loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. On 5 February 2013 the Company held an extraordinary general meeting whereby a reverse share split in the ratio 100:1 was approved. Earnings per share for both 2013 and 2012 have been calculated based on the weighted average number of shares adjusted for the reverse split. The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2013	2012
Net profit attributable to equity holders (NOK '000)	-249 935	-824 039
Number of shares outstanding end of period	11 270 124	1 127 012 323
Weighted average number of shares outstanding in the period	11 270 124	1 127 012 323
Weighted average number of ordinary shares for diluted earnings per share	11 270 124	11 270 123
Earnings per share - basic/diluted earnings per share (NOK)	**-22.18**	**-73.12**

The Board proposes that no dividend will be paid for the fiscal year 2013.

Treasury shares are not included in the weighted average number of shares. Shares under the share option program are not included since they are out of money.

Note 12 – Related party transactions

(NOK '000)

		Sale to / purchase from	
Related party	**Type of transaction**	**2013**	**2012**
Companies which are controlled by a related party:			
Aage Figenschou AS [1)]	Consultancy services	-600	-560
Bsc - Bjørn Sjaastad Consulting [2)]	Consultancy services	-	-1 400
Subsidiary companies:			
Sichem Pearl Shipping Co Pte Ltd	Advisory fee	809	705
Sichem Pearl Shipping Co Pte Ltd	Interest income	544	550
Eitzen Chemical (Singapore) Pte Ltd	Advisory fee	28 475	16 412
Eitzen Chemical (Singapore) Pte Ltd	Interest income	41 506	28 029
Eitzen Chemical Shipping & Trading Pte Ltd	Advisory fee	6 993	3 984
Eitzen Chemical Invest (Singapore) Pte.Ltd.	Advisory fee	809	443
Eitzen Chemical Invest (Singapore) Pte.Ltd.	Interest income	1 408	1 423
Team Shipping AS	Interest expense	-	-3
Napoli Chemical AS	Interest expense	-	-1
Napoli Chemical KS	Advisory fee	1 736	1 627
Napoli Chemical KS	Interest income	9 096	7 335
Eitzen Chemical (Denmark) A/S	CEO services	-641	-1 043
Eitzen Chemical (Denmark) A/S	Corporate administration	-	-996
Eitzen Chemical (Denmark) A/S	Advisory fee	1 411	-
Eitzen Chemical (Denmark) A/S	Interest income	1 752	2 138
Eitzen Chemical (USA) L.L.C.	CEO services	-7 782	-2 496
Eitzen Chemical (USA) L.L.C.	Interest expense	-685	-729

1) The company is controlled by Chairman of the Board Aage Rasmus Bjelland Figenschou.
2) The company is controlled by former Chairman of the Board Bjørn J. Sjaastad.

Oslo, 14 March 2014

The Board of Directors of Eitzen Chemical ASA

Aage Rasmus Bjelland Figenschou
Chairman of the Board

Helene Jebsen Anker

Heidi M. Petersen

Thor J. Guttormsen

Erik Bartnes

Jens Grønning
Chief Executive Officer

Sustainability report

Eitzen Chemical's main contribution to society is to grow a long-term, sustainable value-creating business for our stakeholders. Our aim is to ensure that our business practices as well as investments are sustainable, and contribute to long-term economic, environmental and social development.

Eitzen Chemical has a clearly defined vision and mission statement and a set of core values, which we strongly believe will ensure that the Company grows a value-creating and sustainable business.

Vision
Superior commitment to customers and quality creates value.

Mission
We are an ambitious global organization with focus on:

- Safety & environment
- Customers
- Quality
- People
- New thinking
- Being proactive

Core values

- Respect
- Commitment
- Sincerety & Honesty

Our core values are reflected in everything we do. They are an integrated part of how we conduct our business.

Eitzen Chemical has identified the Company's material sustainability issues and their potential impact on our business. With reference to the Norwegian Accounting Act section 3-3c, the following chapters present how Eitzen Chemical systematically integrates the most material sustainability issues into its business strategies and processes.

1. Environment
International shipping contributes significantly to global emissions of greenhouse gases (GHG) through combustion of bunkers. According to the Second IMO GHG Study of 2009, which is considered to be the most comprehensive and authoritative assessment of the level of GHG emitted by ships, it is estimated that international shipping was the source of approximately 3 per cent of the global man-made emissions of CO_2 in 2007. Emissions of sulphur (SOx) and mono-nitrogen oxides (NO_X) are also a challenge in shipping, impacting both air quality and health. Although international shipping is a significant contributor to global emissions, it produces substantially less emissions per unit distance when carrying a shipment than other methods of transportation.

Eitzen Chemical recognizes its environmental responsibility and strive to comply with and maintain high standards in order to reduce the environmental impact from its operations. The Company is focusing on reducing bunkers consumption, which is the main source of the shipping sector's emissions of CO_2, NO_X and SO_X. Since the Company's bunkers consumption program was initiated in 2011, the consumption of bunkers is reduced significantly. The increased use of eco-steaming, periodic hull cleaning and trim optimization are the main contributors to the reduction. The average speed has been reduced by 1.0 knots or 7.5 per cent since 2010. As a result, bunker consumption is reduced by 13 per cent, which has resulted in a reduction in CO_2 emissions of approximately seventy thousand tonnes on a yearly basis. The reduction has further resulted in a reduction in the emission of NO_X and SO_X of approximately three thousand tonnes and one thousand tonnes, respectively.

Eitzen Chemical's ambition is to further optimize bunkers consumption. Eitzen Chemical conducts improvement projects and testing aimed at reducing its environmental impact, including hull cleaning and propeller polishing

in addition to testing of fuel additives for improved combustion, both aimed at reducing fuel consumption and air pollution.

All the Company's vessels contracted after 2005 are compliant with NO_X emissions requirements. The modern Siteam class of vessels from Trogir meets all the criteria of the Lloyd's Register Environmental Protection Notation. This notation covers a diversity of subjects ranging from air pollution to sea water pollution. To further limit air pollution, the smaller vessels have been built fully compliant with current regulations on NO_X and SO_X emissions and are also built to be able to further reduce SO_X emissions.

The technical managers are further certified with Environmental Management Systems Certificate ISO 14001 as well as ISO 9001:2000. The certificates are issued by the classification society and establish environmental standards and implementation routines. Continuous efforts are made in order to reduce the general waste produced by the vessels and to dispose of waste onshore in a controlled manner at approved port waste reception facilities. The fleet complies with the IMO recommendations on waste management.

Pollution by invasive species carried with ballast water has become an important issue. All the ships have ballast water management systems in place. Eitzen Chemical is actively preparing for the expected implementation of stricter regulations on ballast water treatment entering into force.

Eitzen Chemical is closely monitoring the development of all environmental regulation. The Company will continue to comply with, or exceed, all legislation and follow best practices to minimize the Company's impact on the environment.

2. Human and Labor rights
It is Eitzen Chemical's policy to integrate attention to human and labour rights into its existing business processes. In practice, a large part of the human and labour rights agenda is covered by the Company's health and safety efforts. The health and safety of our employees is a key priority for Eitzen Chemical. As an international and multi-local industrial employer, the Company respects international and local legislation, including the provision of the International Labour Organization's Maritime Labour Convention of 2006 (the "MLC"). The MLC is widely known as the "*seafarers' bill of rights*", and sets out seafarers' right to decent working conditions, including elements such as minimum age of seafarers, payment of wages, hours of work or rest, onboard medical care, paid annual leave and freedom of association.

Eitzen Chemical value its employees as the Company's key resource. The Company will continue to focus on attracting and keeping the best qualified and motivated employees. As a global organization, Eitzen Chemical has a diversified working environment in which employment, promotions, responsibility and job enrichment are based on qualifications and abilities, and not on gender, age, race and political or religious views. As communicated to all employees through Eitzen Chemical's Code of Conduct, the Company does not accept discrimination in any form.

Eitzen Chemical aims to continuously provide and enhance healthy, high-quality working conditions, both onshore and onboard vessels. The Company conducts periodical work place surveys to gain a better understanding of the working conditions for onshore employees. The Company has outsourced crewing of vessels and technical management. However, in order to ensure that our external partners on the crew and technical management side comply with the Company's policies, Eitzen Chemical has an internal fleet management department responsible for monitoring the Health, Safety, Environment and Quality performance of the technical managers.

Eitzen Chemical's goal is to run the operations of the Company with zero fatal accidents, a lost time injury frequency of less than 0.60 per million working hours and zero work-related injuries for shore-based employees. KPIs have been developed to ensure that the Company's performance is measured and given the appropriate attention. Eitzen Chemical had no fatal accidents during 2013. The Lost Time Injury Frequency (LTIF) was 0.30 per million working hours in 2013 for crews on Eitzen Chemical operated vessels. For shore-based employees, no work-related injuries were reported during the year.

Attracting and retaining qualified seafarers remains an area of strategic importance for Eitzen Chemical, and the Company is executing a comprehensive crewing strategy in close cooperation with its technical managers. The

objective is to strengthen Eitzen Chemical's brand and image in selected national pools while taking advantage the strong presence and position that the individual technical manager has established regionally.

During 2013, the Company achieved a further improvement of retention rate for officers, measured at 92 per cent according to Intertanko's standard. To ensure a continued recruitment of dedicated and qualified officers, Eitzen Chemical, in close cooperation with its technical managers, is engaged in training of seafarers and education of cadets and has 48 cadet positions onboard the Company's vessels. The Company will further develop and execute on the crewing strategy and the implementation of crew welfare initiatives in order to meet the Company's ambition of maintaining the officers' retention rate at a high level and maintaining a challenging and motivating work place, thus creating top performing vessels.

Eitzen Chemical faces same challenges as other shipping companies when it comes to piracy in the Gulf of Aden, Somali Basin and West Africa. Piracy is still a challenge for the shipping industry and cannot be solved by the Company or the shipping industry alone. It must be dealt with by the international community and relevant authorities of UN working together. To create a secure environment in which our crew feels safe, our technical managers have adopted best management practices consistent with the industry standards and under suggestion by Intertanko and Oil Companies International Marine Forum to deter piracy. All of our vessels are registered with the EU Naval Force (Maritime security centre) which co-ordinates vessel's transit schedules with the appropriate naval vessels in the Gulf of Aden and Somali basin. Depending on the present conditions and individual risk factors for the particular vessel, preventive measures are being evaluated for each transit according to Eitzen Chemical piracy policy. There were no incidents of attempted hijackings of Eitzen Chemical's vessels in 2013.

Eitzen Chemical will continue to monitor the KPIs related to health and safety, and ensure that the focus on health and safety is an integrated part of how the Company does its business.

3. Anti-corruption
Eitzen Chemical has defined a set of core values that are reflected in everything the Company does, and are an integrated part of how the Company does its business. These values are communicated to all employees, both onshore and onboard, and have been systematically implemented in the organisation through various workshops and seminars. Eitzen Chemical's core values are available on the Company's website.

In addition, the Company has developed a Corporate Social Responsibility Guideline and Code of Conduct policies, which focus on ethical behaviour in everyday business activities. As part of our employment process, our Code of Conduct policies are communicated, and statement of confirmation from the employee is received.

Eitzen Chemical believes that corruption prevents well-functioning business processes and curbs economic development. As such, corruption or corrupt behaviour is not accepted by the Company. Eitzen Chemical focuses on transparency in its business practices, supports free enterprise and competes in a fair and ethical manner. The Board of Eitzen Chemical has approved a Code of Conduct defining the Company's ethical standards, where it is explicitly stated that any acts of corruption are unacceptable. The Code of Conduct applies to all employees, both employees ashore and onboard, members of management, members of the Board, subsidiaries and controlled companies.

Facilitation payments are customary in some parts of the world and Eitzen Chemical employees are therefore occasionally faced with these types of demands. The Company has a corporate policy that is communicated to all employees, which state that they must refuse to pay or request a receipt, or ask to speak to more senior officials or employees, when met with demands for facilitation payments. Eitzen Chemical utilises the voyage data recorder equipment onboard to record conversations on facilitation payment. In incidents where it is not possible to avoid facilitation payment, the payment is reported. Feedback from our captains indicates that port officials are more hesitant to demand facilitation payments when they are made aware that a conversation is recorded. Eitzen Chemical is continuously considering initiatives where the Company can strengthen its efforts to combat facilitation payments.

Corporate Governance

The main objective for Eitzen Chemical ASA's (Eitzen Chemical) principles for good Corporate Governance is to develop a strong, sustainable and competitive company in the best interest of the employees, shareholders and third parties. The Board of Directors and Management aim for a controlled and profitable development and long-term creation of growth through well-founded governance principles, operational procedures and risk management.

With reference to the Norwegian Code of Practice for Corporate Governance issued on 21 October 2009, and revised on 21 October 2010, 20 October 2011 and 23 October 2012 (the "Code"), the following chapters explain how Eitzen Chemical complies with each of the recommendations therein or explain why an alternative approach has been chosen according to the "comply or explain" principle.

1. Implementation and reporting on corporate governance
Corporate governance deals with issues and principles related to the distribution of roles between governing bodies of a company and the responsibility and authority assigned to each of those bodies. The Board ensures that Eitzen Chemical is being subject to good corporate governance, and that the Company complies with all applicable laws and regulations in this respect as well as the Code.

The Board of Directors ensures that the Company is adequately organized and managed in such a manner that the Company's set goals can be reached and foster proper controls, but at the same time encourage the business to assume risks and manage risks by encouraging innovation and entrepreneurship in order to enhance shareholder values. Eitzen Chemical is committed to ethical business practices and our values are an integrated part of how we conduct our business. The Company has developed a Corporate Social Responsibility Guideline and a Code of Conduct, which focus on ethical behaviour in everyday business activities to be followed by all employees.

The Corporate Social Responsibility Guideline, the Corporate Governance principles and the Code of Conduct are published on the Company's website.

The topic of corporate governance is subject to assessment and discussion by the Board annually or more often if deemed necessary.

2. Business
With reference to the Articles of Association, Eitzen Chemical's objective is to "be engaged in shipping, portfolio investments and related business, including participating in companies engaged in similar business".

Eitzen Chemical has a clearly defined vision and mission statement and a set of core values, which we strongly believe will ensure that the Company grows a value-creating and sustainable business.

Our vision:
Superior commitment to customers and quality creates value.

Mission statement:
We are an ambitious global organization with focus on:
- Safety & environment
- Customers
- Quality
- People
- New thinking
- Being proactive

Core values:
- Respect
- Commitment
- Sincerety & Honesty

Our values are reflected in everything we do. They are an integrated part of how we conduct our business.

3. Equity and dividends
The financial restructuring of Eitzen Chemical's bank and bond debt was concluded in January 2013. The current financial structure is based on a slowly improving market and is expected to secure headroom and stable operations through 2015. A term- and revolving credit facility of USD 30 million was secured to provide the Company with sufficient available liquidity. The revolving credit facility of USD 20 million facility was undrawn as of year-end 2013.

Eitzen Chemical is still overleveraged with a negative book equity value of USD 106.8 million as of 31 December 2013. A value-adjusted equity, based on the average broker valuations of the Company's owned and financial leased vessels, was negative USD 230.1 million. Based on the agreements with the Company's lenders, the Board currently considers the Company's capital situation as adequate. However, Eitzen Chemical is of the opinion that with a stronger balance sheet, the Company can create more value over time for current stakeholders. Against this background, Eitzen Chemical and its senior lenders are currently exploring opportunities to strengthen the balance sheet and raise new equity so the Company again can invest and add to its asset base and market presence. In connection with seeking new investors in the Company, the lenders will consider modifications of the Company's existing indebtedness.

On 31 December 2013, the total number of shares outstanding was 11,280,224. The share price ended at NOK 7.25, and the Company's market capitalization was NOK 81.8 million.

On 5 February 2013 the Company held an extraordinary general meeting where a reverse share split in the ratio 100:1 was approved. The Company's share capital is NOK 846,016,800 divided by 11,280,224 shares, each with a par value of NOK 75.

As part of the overall agreements with its banks in 2013, the Company has agreed not to pay dividend nor repurchase own shares before the maturity of its debt in 2016 without a prior approval from the banks.

4. Equal treatment of shareholders and transactions with close associates
Eitzen Chemical has one class of shares and each share entitles the holder to one vote. The shares are registered with the Norwegian Registry of Securities.

The Company has established Code of Conduct which applies to all employees and the Board of Directors, and promotes core values including transparency and integrity. The members of the Board and executive personnel are required to notify the Board if they have any interest in any transaction entered into by the Company. In addition the Company has established Directives for inside trading and trading in own shares.

5. Freely negotiable shares
All the Company's shares carry equal rights and are freely negotiable.

6. General meetings
Eitzen Chemical seeks to ensure that the General Meetings are an effective forum for the views of shareholders and the Board. The Annual General Meeting is held every year before the end of June. The financial statements, annual reports and share dividend shall be approved in the General Meeting, including other decisions required under existing laws and regulations.

Shareholders may notify the Company in writing of issues to be discussed or considered at the General Meetings within seven days prior to the company's notice as per below.

Notices of General Meetings are published and distributed by mail no later than 21 days prior to the date of the general meeting. Within the same time the notice is also made available on the Company's website, including supporting information. The shareholders may give notice of their intent to be represented at the meeting by mail or email within three business days prior to the meeting. Shareholders who are unable to attend may vote by proxy. Proxy forms which allow separate voting instructions to be given for each matter to be considered by the meeting, and separate voting for each candidate nominated for election, are available with the notice. The Company will make a person available to vote on behalf of shareholders as their proxy.

The Chairman of the Board, the auditor, the CEO and the CFO are present at the General Meetings to answer questions. The remaining members of the Board, the Nomination Committee and other executives attend as necessary.

The General Meetings are opened by the Chairman of the Board who proposes a chairman to be elected for the meeting.

7. Nomination Committee
The Company's Articles of Association provide for a Nomination Committee composed of two to three members elected by the General Meeting. The Nomination Committee Guidelines were approved by the Annual General Meeting 9 May 2011 and states that the committee itself shall propose the members for the General Meeting.

The Nomination Committee is currently composed of Andreas Mellbye (chairman) and Jan Fredrik Eriksen (member). Both were elected for a term of 2 years, ending May 2014. The members of the Nomination Committee are independent of the Board of Directors and the Executive management of the Company.

8. Corporate Assembly and Board of Directors, composition and independence
Eitzen Chemical is not required to have a Corporate Assembly and has chosen not to include such requirement to its Articles of Association.

The Board, including its Chairman are nominated by the Nomination Committee and elected by the General Meeting. Pursuant to the Articles of Association the Board shall have a minimum of three and maximum seven members. The Board members Helene J. Anker, Heidi M. Petersen, Thor J. Guttormsen and Erik Bartnes were elected by the Annual General Meeting on 25 June 2013 for two years.

Board members Helene J. Anker, Heidi M. Petersen, Thor J. Guttormsen and Erik Bartnes are all independent of the Company's largest shareholder, the Company's executives and its material business relations. Aage R. B. Figenschou holds the position as Chairman of the Board of Jason Shipping AS, which is the Company's largest shareholder holding 34.0 per cent of the Company's outstanding shares. The Board represent a strong combination of shipping and financial experience. A summary of the Board members professional background is available on the Company's website.

In addition to receiving the annual remuneration as Chairman, Aage R. B. Figenschou has from September 2012 been delegated additional tasks by the Board under a consultancy agreement. None of the board members have options or profit-based remunerations.

The members of the Board are encouraged to own shares in the Company. Further information about the Board members shareholding is disclosed in note 15 to the financial statements.

As of year-end 2013, Eitzen Chemical had 1,300 crew members employed on its vessels or on leave. In addition, the Company had 78 permanent full-time employees onshore.

9. The work of the Board
The law stipulates the responsibilities of the Board to include the overall management and oversight of the Company.

In 2013 the Board of Eitzen Chemical ASA held 14 regular board meetings. Four of the meetings dealt with the quarterly financial reports, and one meeting was related to approving the 2012 Annual Report. In addition to the regular Board meetings, the Board may also arrange special meetings, either by telephone conference or by written resolution requested of the chairman, the CEO or by any other Board member.

In 2010 the Board appointed a permanent Audit Committee. The committee is currently composed of Helene J. Anker (chairman) and Heidi M. Petersen (member). In addition, the board appointed a permanent remuneration committee in 2011 composed of Aage R. B. Figenschou and Helene J. Anker. These committees do not make resolutions, but prepare matters for the Board's consideration within the committee's specialized area and

supervise the work of the Company's management on behalf of the Board. The Board evaluates its performance and expertise annually.

10. Risk management and internal control
The Board of Directors are kept updated on the company activities through regularly reporting, including monthly financial reporting. The Audit Committee ensures that the Company has adequate financial risk management, and effective internal control systems.

The Company is also subject to external control by its auditors, the ship classification societies, port and flag state control, and other regulatory bodies like IMO etc. The Management of Eitzen Chemical monitors that the Company acts in accordance to applicable law and regulations.

11. Remuneration of the Board
Remuneration of the Board is disclosed in note 7 to the financial statements. The remuneration reflects the Board's responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration is not linked to the Company's performance. The Company has not granted any share options to the Board members. The remuneration is approved at the Annual General meeting.

The Chairman was delegated additional tasks by the Board. The remuneration for these additional services was NOK 150,000 per month.

12. Remuneration of executive personnel
The Board has established and the General Meeting has approved the Board's guidelines for the remuneration of key personnel. The financial interests of the key personnel and the shareholders are aligned through a discretionary bonus scheme. Further information about remuneration of the CEO and executive management is disclosed in note 7 to the consolidated financial statements for the Group.

13. Information and communication
Eitzen Chemical's communication to the market is based on openness and equal treatment of all participants in the securities market. Each December the Company publishes the financial calendar for the coming year. The Company presents preliminary annual financial results with the fourth quarter results in February. The Annual Report is published in March or April. The Company publishes financial reports on a quarterly basis. Official communication is published simultaneously on the Oslo Stock Exchange and on the Company's website. In connection with the Company's presentation of quarterly reports, open investor presentations and webcasts are conducted. The CEO reviews the results and comments on the performance and the outlook. The CFO presents the financial figures.

In addition, Eitzen Chemical maintains dialog with analysts and investors. It is the Company's ambition to maintain an impartial distribution of information when dealing with shareholders and analysts.

14. Take-overs
There are no defence mechanisms against take-over bids in the Company's Articles of Association, nor have other measures been implemented to obstruct such take-overs. The Board will not seek to obstruct any takeover bid for the Company's activities or shares unless there are particular reasons for doing so. In the event of such a bid the Board will seek to comply with the recommendations made in section 14 in the Code and other relevant law and regulations.

15. Auditor
Eitzen Chemical has appointed Ernst & Young as auditor. The auditor prepares an annual audit plan which is presented to the Audit Committee in the autumn each year. The auditor also presents to the Audit Committee the results of their assessment and testing of the Company's internal controls. The auditor is present at the Audit Committee meetings and participates at the Board meeting approving the annual financial statements. At these meetings, the auditor reports on any material changes in the Company's accounting principles, and on financial items which include material estimation or judgement. The auditor also reports any material matters of contention between the auditor and the management. Further, the Board has a session with the auditor without the presence of the CEO or other members of the management.

In order to secure consistency in controls and audits of the Company, Eitzen Chemical uses the same audit firm for all subsidiaries worldwide. The Board is kept updated on the use of the auditor by the Company's executive management for services other than the audit. The Board report the remuneration paid to the auditor at the Annual General Meeting, including details of the fee paid for audit work and any fees paid for other specific assignments. Such details are disclosed in note 7 to the consolidated financial statements for the Group.

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av den norske revisorforening

To the Annual Shareholders' Meeting of
Eitzen Chemical ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Eitzen Chemical ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2013, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2013, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Eitzen Chemical ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Emphasis of matter

Without qualifying our opinion, we draw attention to the Board of Director's Report and notes to the Group's financial statements regarding the basis for applying the going concern assumption. Whilst both the parent company and Group have negative equity as of 31 December 2013, the agreement with the lenders provides a basis for continued operations. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 14 March 2014
ERNST & YOUNG AS

Finn Ole Edstrøm
State Authorised Public Accountant (Norway)

Fleet list as of 31 December 2013

Owned and leased vessels

Vessel	DWT	Built	Flag	Ownership	IMO
Sichem Colibri	3,591	2001	MAL	Owned	II*
Sichem Sparrow	3,596	2001	MAL	Owned	II*
Sichem Houston	6,239	1995	UK	Owned	II*
Sichem Casablanca	6,999	1993	UK	Owned	II*
Sichem Croisic	7,721	2001	MAL	Owned	II*
Sichem Lily	8,109	2009	MAL	Owned	II*
Sichem Orchid	8,115	2008	MAL	Owned	II*
Sichem Iris	8,139	2008	MAL	Owned	II*
Tour Margaux	8,674	1993	MAL	Owned	II*
Sichem Palace	8,807	2004	SIN	Owned	II*
Sichem Amethyst	8,817	2006	PAN	Financial lease	II*
Sichem Ruby	8,824	2006	PAN	Operating lease	II*
Tour Pomerol	10,379	1998	SIN	Owned	II*
Sichem Fumi	11,674	1996	PAN	Owned	II*
Sichem Challenge	12,180	1998	SIN	Owned	II*
Sichem Mississippi	12,273	2008	PAN	Operating lease	II*
Sichem Aneline	8,941	1998	MAR	Financial lease	II
Sichem Dubai	12,888	2007	MAL	Owned	II
Sichem Marseille	12,927	2007	SIN	Owned	II
Sichem Melbourne	12,936	2007	SIN	Owned	II
Sichem New York	12,945	2007	SIN	Owned	II
Sichem Hiroshima	13,000	2008	SIN	Operating lease	II
Sichem Montreal	13,056	2008	SIN	Owned	II
Sichem Beijing	13,068	2007	SIN	Owned	II
Sichem Hong Kong	13,069	2007	SIN	Owned	II
Sichem Paris	13,079	2008	SIN	Owned	II
Sichem Mumbai	13,084	2006	PAN	Financial lease	II
Sichem Onomichi	13,104	2008	SIN	Operating lease	II
Sichem Manila	13,125	2007	SIN	Owned	II
Sichem Singapore	13,141	2006	ITA	Owned	II
Sichem Edinburgh	13,153	2007	SIN	Owned	II
Sichem Rio	13,162	2006	ITA	Owned	II
Sichem Defiance	17,396	2001	MAR	Owned	II*
Sichem Contester	19,822	2007	SIN	Financial lease	II*
North Contender	19,925	2005	PAN	Financial lease	II*
North Fighter	19,932	2006	PAN	Financial lease	II*
Dreggen	19,993	2008	PAN	Operating lease	II*
Sichem Osprey	25,431	2009	MAL	Owned	II
Sichem Hawk	25,385	2008	MAL	Owned	II
Sichem Falcon	25,419	2009	MAL	Owned	II
Sichem Eagle	25,421	2008	SIN	Owned	II
Siteam Anja	44,640	1997	MAR	Owned	II/III
Siteam Discoverer	46,043	2008	SIN	Owned	II
Siteam Voyager	46,190	2008	SIN	Owned	II
Siteam Leader	46,070	2009	SIN	Owned	II
Siteam Adventurer	46,099	2007	SIN	Owned	II
Siteam Explorer	46,026	2007	SIN	Owned	II
Siteam Jupiter	48,309	2000	LR	Operating lease	II
Siteam Neptun	48,309	2000	LR	Operating lease	II

* Stainless steel

Fleet summary

	Owned	Financial lease	Operating lease	Total
Total fleet	36	6	7	**49**

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Eitzen Chemical ASA

Annual Report 2012

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Description of Eitzen Chemical

Overview of Eitzen Chemical

Eitzen Chemical ASA *("Eitzen Chemical" or "the Company")* is a leading marine chemical and related products transportation company with a sailing fleet of 50 vessels as of year-end 2012. The Company transports a wide variety of cargoes such as organic chemicals, non-organic chemicals, clean and dirty petroleum products, vegetable oils and lube oils. The fleet consists of coated and stainless steel vessels ranging from 3,500 to 48,000 dwt, primarily designed for the transport of IMO II classified chemical cargoes. The vessels are employed in the spot market or chartered out through time-charter agreements or Contracts of Affreightment (CoAs).

The fleet comprises 50 vessels, of which 46 vessels are owned or on finance lease and four vessels are on operating lease. Eitzen Chemical operates one of the industry's most modern chemical tanker fleets with an average age of less than eight years for the owned and leased vessels.

The vessels are commercially operated through offices in Denmark, Spain, USA and Singapore. The commercial offices communicate on a common IT platform, which includes global voyage management and communication systems to ensure that commercial activities are co-ordinated and optimised between the various commercial offices. The technical management of the owned vessels is handled by Selandia, V. Ships and Thome Ship Management. Eitzen Chemical has a global presence as illustrated in the figure below.

Eitzen Chemical offices

Our vision and mission statement

Our vision:
Superior commitment to customers and quality creates value.

Mission statement:
We are an ambitious global organisation with focus on:

- Safety & environment
- Customers
- Quality
- People
- New thinking
- Being proactive

Overview of the Eitzen Chemical fleet

The fleet consists of various types and sizes of chemical tankers, with focus on the segment between 3,500 and 48,000 dwt. Cargo segregations vary from 12 to 30, and the fleet consists of both coated and stainless steel vessels. Of the owned and leased fleet at the end of the year, 28 were coated and 22 were stainless. With an average fleet age of less than eight years, Eitzen Chemical operates one of the most modern chemical fleets in the world.

Of the vessels operated by the Company, 36 are owned through subsidiaries in Singapore and Norway. 14 vessels are chartered in on time-charter or bareboat basis (most of them with purchase options). The vessels which are chartered in are classified as finance or operating leases in the Company's financial statements.

Owned vessels

Vessel	Built	Dwt	Flag	Ship owning company	Technical Mgmt.	Coating	IMO
Siteam Adventurer	2007	46,026	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Explorer	2007	46,026	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Voyager	2008	46,017	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Leader	2009	46,017	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy / Zinc	II
Siteam Discoverer	2008	46,005	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Anja	1997	44,640	Marshall Islands	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy	II/III
Sichem Eagle	2008	25,421	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy	II
Sichem Falcon	2009	25,419	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy	II
Sichem Hawk	2008	25,385	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy	II
Sichem Osprey	2009	25,431	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy / Zinc	II
Sichem Defiance	2001	17,396	Marshall Island	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II
Sichem Rio	2006	13,162	Italy	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Edinburgh	2007	13,153	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Marineline	II
Sichem Singapore	2006	13,141	Italy	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Manila	2007	13,125	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Marineline	II
Sichem Paris	2008	13,079	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Hong Kong	2007	13,069	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Beijing	2007	13,068	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Montreal	2008	13,056	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy	II
Sichem New York	2007	12,945	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy	II
Sichem Melbourne	2007	12,937	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Marseille	2007	12,928	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Dubai	2007	12,889	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Challenge	1998	12,181	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II
Sichem Fumi	1996	11,674	Panama	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Tour Pomerol	1998	10,379	Singapore	Eitzen Chemical Invest (Singapore) Pte. Ltd	V-Ships	Stainless Steel	II
Sichem Palace	2004	8,807	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Tour Margaux	1993	8,674	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Stainless Steel	II
Sichem Iris	2008	8,140	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Sichem Orchid	2008	8,115	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Sichem Lily	2009	8,000	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Sichem Croisic	2001	7,721	Malta	Sichem Pearl Shipping Co Pte. Ltd.	V-Ships	Stainless Steel	II
Sichem Casablanca	1993	6,999	UK	Napoli Chemicals KS	V-Ships	Stainless Steel	II
Sichem Houston	1995	6,239	UK	Napoli Chemicals KS	V-Ships	Stainless Steel	II
Sichem Sparrow	2001	3,596	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II
Sichem Colibri	2001	3,592	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II

Leased vessels

As of 31 December 2012, the Company had chartered in 14 chemical tankers, of which four are on bareboat basis and ten are on time-charter basis. The duration of all charters are arranged as firm periods with additional option periods for the Company. Charter hire is differentiated in relation to firm and optional periods for some of the charters. All charter-parties include purchase options in favour of the Company apart from the Sichem Pace charter-party. For an overview of the vessels chartered in by subsidiaries of the Company and the main provisions of these charter-parties, reference is made to the following two tables.

Vessels on finance leases

The vessels classified as finance lease vessels are recognized in the same manner as vessels owned by the Company. Overview of Eitzen Chemical's ten finance lease vessels:

Vessel	Built	Dwt	Flag	Technical Mgmt.	Latest exercise	Purchase Price*	Coating	IMO
Siteam Jupiter	2000	48,309	Liberia	Chemikalien Seetransport	May-2013	USD 15.8M	Epoxy / Zinc	II
Siteam Neptun	2000	48,309	Liberia	Chemikalien Seetransport	Apr-2013	USD 15.8M	Epoxy / Zinc	II
Sichem Defender	2007	20,000	Panama	Fleet Management	Jan-2019	JPY 1,485M	Stainless Steel	II
North Fighter	2006	19,932	Panama	Selandia	May-2014	USD 18.8M	Stainless Steel	II
North Contender	2005	19,925	Panama	Selandia	Jan-2014	USD 18.8M	Stainless Steel	II
Sichem Contester	2007	19,822	Singapore	Fleet Management	Oct-2019	JPY 1,510M	Stainless Steel	II
Sichem Mumbai	2006	13,084	Panama	V-Ships	Oct-2018	USD 8.5M	Epoxy	II
Sichem Aneline	1998	8,941	Marshall Island	Selandia	Jul-2018	JPY 348M	Epoxy	II
Sichem Ruby	2006	8,824	Panama	Bernhard Schulte	Aug-2016	JPY 840M	Stainless Steel	II
Sichem Amethyst	2006	8,817	Panama	Bernhard Schulte	Oct-2016	JPY 840M	Stainless Steel	II

* The purchase price indicates the option price at the latest possible exercise date.

Vessels on operating leases

Overview of the Company's four operating lease vessels:

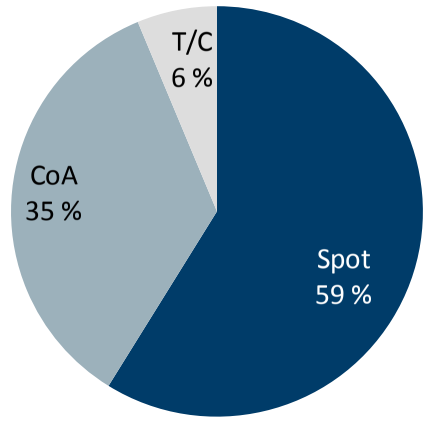
Vessel	Built	Dwt	Flag	Technical Mgmt.	Latest exercise	Purchase Price*	Coating	IMO
Sichem Pace	2006	19,983	Panama	Selandia	No option	No option	Stainless Steel	II
Sichem Onomichi	2008	13,104	Singapore	Selandia	Feb-2015	USD 16.6M	Epoxy	II
Sichem Hiroshima	2008	13,000	Singapore	Selandia	May-2015	USD 16.6M	Epoxy	II
Sichem Mississippi	2008	12,273	Panama	V-Ships	Dec-2028	JPY 1,060M	Stainless Steel	II

* The purchase price indicates the option price at the latest possible exercise date.

Contract coverage

Eitzen Chemical has long term relationships with many of its customers. The term business coverage, measured in earnings, was 39 per cent for 2012, with the CoA cover at 34 per cent and Time Charter cover at 5 per cent. Firm CoAs and CoAs that, in the management's opinion, are expected to be renewed based on historical and other reasons are included in the estimated contract coverage. CoAs typically have minimum and maximum volumes and the contract coverage is thus based on management's anticipated volume. The CoA contracts typically have a firm duration of one year at a time and are subject to annual re-negotiations, but some of the CoAs have firm periods lasting up to five years. The following figure illustrates the expected contract coverage in 2013.

Eitzen Chemical Contract coverage 2013



Source: Eitzen Chemical (expected 2013 coverage as at 31.12.2012)

Time Charter Agreements

Some of the vessels owned or leased by the Company are chartered out on a time-charter / bare boat basis. All charters are based on standard charter party forms and are governed by English or US law. Most of the contracts are on short to medium term (from 1 – 2 years).

Contracts of Affreightment

The Company has entered into several CoAs with various customers. Several of the Company's owned or chartered vessels are employed for the performance of these CoAs. The CoAs are with few exceptions not linked to the use of a particular vessel or a particular group of vessels.

Vessels employed in the spot market

Several of the vessels owned or chartered by the Company are employed in the spot market for voyage charters. These contracts are typically based on standard charter party forms like Asbatankvoy, Shell Voy or similar and governed by English or US law.

Introduction to the chemical tanker market

Introduction

Chemical tanker vessels are mainly used for cost-efficient long-distance bulk transportation of organic chemicals, inorganic chemicals and vegetable oils and animal fats. In addition, miscellaneous cargoes such as molasses, lube oils and refined petroleum products, e.g. gasoline and jet fuel, can be transported with chemical tanker vessels.

Organic chemicals, also referred to as petrochemicals, are chemicals derived from petroleum products and are carbon based. The most common organic chemicals transported by sea include methanol, MTBE and BTX (benzene, toluene and xylene). Organic chemicals are estimated to be the largest chemicals product group in the seaborne chemical trade.

Inorganic chemicals are chemicals of mineral origin. These chemicals are derived from other sources than petroleum products and do not necessarily have carbon structures. The most common inorganic chemicals include phosphoric acid, sulphuric acid and caustic soda.

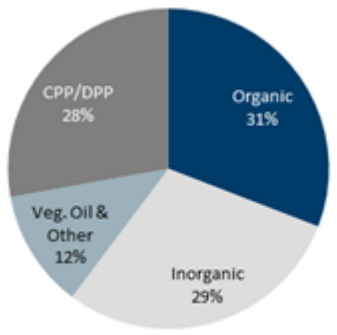
Vegetable oils and animal fats is the third main category transported on chemical tankers. Growth in the trade of these products has recently outpaced growth in the organic and inorganic chemicals trade.

In addition to chemical transportation, chemical tankers can also be used to transport refined petroleum products (CPP), which are usually transported by less sophisticated product tankers. Product tankers can, in turn, be used to carry certain less hazardous chemicals. The chemical tanker market is therefore linked to the product tanker market and the boundary between the product tanker and the chemical tanker market is therefore not easily defined.

However, IMO rules which came into effect on 1 January 2007 added several new cargoes to the chemical tanker trade and certain cargoes which previously could be transported by product tankers had to be transported by chemical tankers with effect from 1 January 2007. Of these cargoes, the most significant in terms of cargo volumes were vegetable oils and soft oils.

The figure below illustrates Eitzen Chemical's cargo liftings for 2012.

Eitzen Chemical Cargo liftings 2012

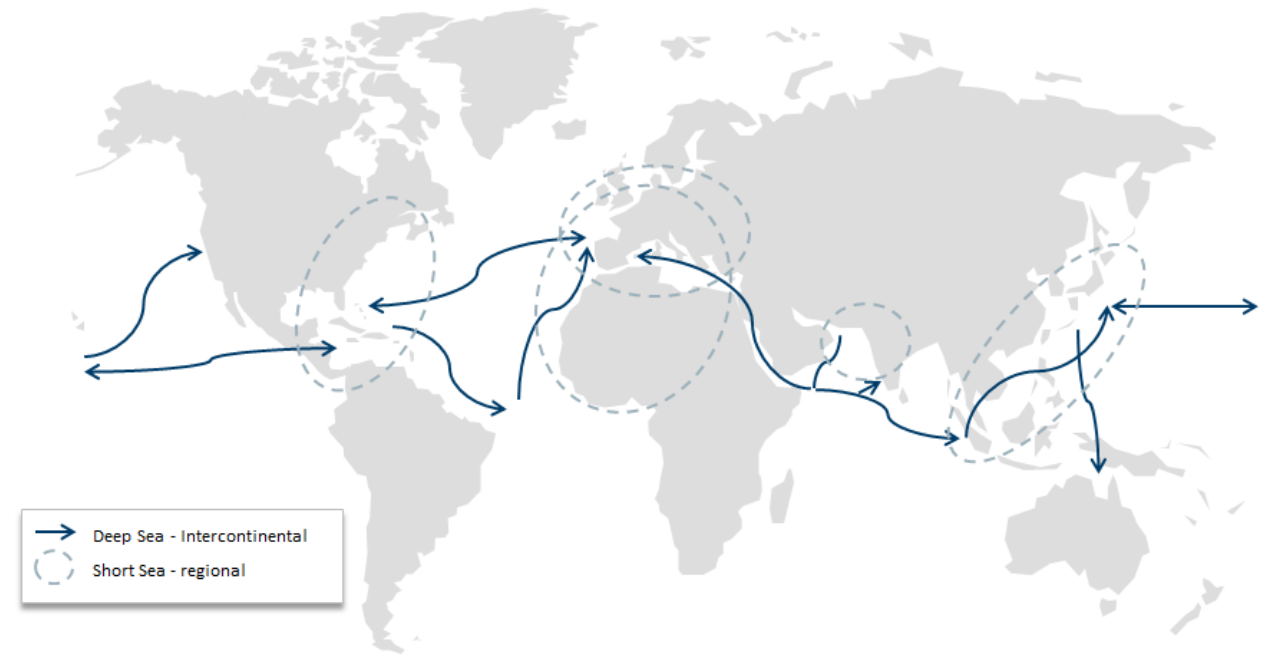


Source: Eitzen Chemical (excluding vessels fixed out on T/C contracts)

Seaborne transportation of chemicals takes place in all parts of the world. The most important long haul trade lanes for chemical tankers are between the major chemical supply areas in the US, Northwest Europe, Singapore and the Arabian Gulf region, and the main chemical importing regions in Europe, Asia and South America. There is also substantial transatlantic trade between the US and Northwest Europe. Other important trade lanes are from the Middle East to North America and to Europe. The Middle East and Asia are expected to become more important regions in the chemical trade as a result of growth in chemical plant and petroleum refinery capacity in these regions. In the medium to long term, the shale gas development in the US is expected to have a positive effect on demand for chemical tanker transportation. The customers of the

chemical tanker operators are mainly producers or consumers of chemical products, e.g. major industrial chemical companies, oil companies and mining companies.

The figure below illustrates Eitzen Chemical's main trade lanes.



IMO regulation

The International Maritime Organization ("IMO") is a specialized agency of the United Nations which is responsible for measures to improve the safety and security of international shipping and to prevent marine pollution from ships. Some of these measures include issuing technical requirements that vessels must fulfil in order to gain permission to transport oil products and chemicals. Product and chemical tankers can be segregated based on their IMO classification, which are quality grades for the permission to transport various chemical and oil products. IMO I graded products are the most hazardous, IMO III the least hazardous. In general, IMO I and IMO II grade tankers are referred to as chemical tankers.

Non-IMO / product tankers are classed as carriers for oil and oil products. In addition to oil and oil products, such as gasoline, non-IMO / product tankers can carry non-IMO liquids such as molasses and ethanol. IMO III tankers are classed as carriers for oil and oil products as well as carriers for type III cargoes. Type III cargoes include, among others, methanol, MTBE, styrene, toluene, and chemical tankers transporting these cargoes have to be classed as IMO III tankers (or better). IMO II tankers are classed as carriers for oil and oil products as well as carriers for type III and type II cargoes. Type II cargoes include, among others, acids, fatty acids, xylene, white spirit and vegetable oils (e.g. palm oil, sunflower oil and soybean oil), and chemical tankers transporting these cargoes have to be classed as IMO II tankers, although vegetable oils can be shipped in double hulled IMO III tonnage. The requirements for IMO II chemical tankers are the same as for IMO III chemical tankers, but with stricter requirements, e.g. with respect to tank size. IMO II tankers can transport both oil products and type III and type II chemicals.

IMO revised carriage requirements under Annex I (oil) and Annex II (noxious liquid substances in bulk which mainly have to be carried by chemical tankers), with the aim of protecting the environment through stricter regulations. The revisions to Annex I have been implemented, with the result that single hull tankers had to be phased out within year end 2010, but with several exceptions. A fairly comprehensive revision has also been made to Annex II, which took effect on 1 January 2007. The revision has imposed stricter requirements on the carriage of chemical products. A number of cargoes were moved from not being IMO categorised to requiring IMO III or even IMO II classed tankers. To illustrate this by means of some examples, xylene went from requiring IMO III tankers to requiring IMO II tankers. Methanol, MEG and MTBE went from no IMO

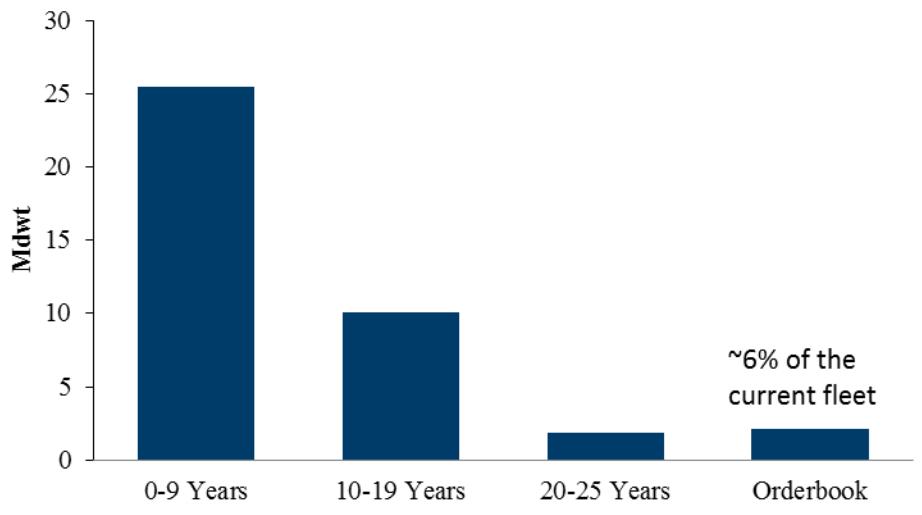
requirement to requiring IMO III tankers. The most significant change in terms of volume was for vegetable oils and soft oils which went from no IMO requirement to requiring IMO II (effectively meaning IMO III, but double hull).

Overview of current fleet and order book

The chemical tanker market is relatively small in terms of number of vessels compared to the total tanker market.

The graph below gives an overview of the age distribution of the existing fleet of chemical tankers from 3,000 to 54,000 dwt. The order book is estimated to represent about 6 per cent of the current fleet, reduced significantly from peak levels in 2008. The recent global economic recession and the financial turmoil have led to significant newbuilding cancellations and it is still uncertain whether all newbuildings will be delivered.

Current fleet of chemical tankers, 3k to 54k dwt



Source: Eitzen Chemical based on industry sources

Estimated fleet growth

The remaining orderbook for chemical tankers (tankers below 54,000 dwt) is about 6 per cent of the fleet, while the orderbook of smaller stainless steel vessels is only 2 per cent. In 2012, total deliveries of newbuildings were 1.8 million dwt, with scrapping of 1.2 million dwt, i.e. a net fleet growth of 0.6 million dwt, or 1.6 per cent.

The fleet growth is to a great degree influenced by the level of scrapping of vessels. Scrapping is correlated to the age and technical standard of a vessel. Further, the decision to scrap is strongly influenced by the freight market. In a weaker market the relative degree of scrapping is higher. Costs associated with dry-dockings and new IMO regulations which will come into effect over the next years, are also expected to have a strong influence on the level of scrapping considering the opportunity cost for older vessel to meet new requirements. Consequently, we expect the level of scrapping to remain at today's level until the freight market experience more sustainable market improvement.

If the relative level of scrapping in 2013 and 2014 equals scrapping in 2012, the net annual fleet growth the coming years will be marginal. Based on the rapidly decreasing order book and estimated scrapping and removal of older tonnage, the fleet growth is expected to be moderate going forward.

Freight rate development

Chemical market – tonnage demand

Demand for chemical tankers is influenced by many variables as a vast number of commodities are involved in the seaborne chemical trade. World GDP growth and world industrial production is one of the main drivers for demand for chemicals and is therefore often considered to be one of the main indicators for chemical tanker demand. Although, there is some uncertainties with regards to the macroeconomic indicators following the European sovereign debt crisis, world GDP figures are anticipated to grow, according to the IMF[1], by 3.5 per cent in 2013 and 4.1 per cent in 2014 and historically the demand for chemical tanker transportation has been growing at a factor of approximately 1.5.

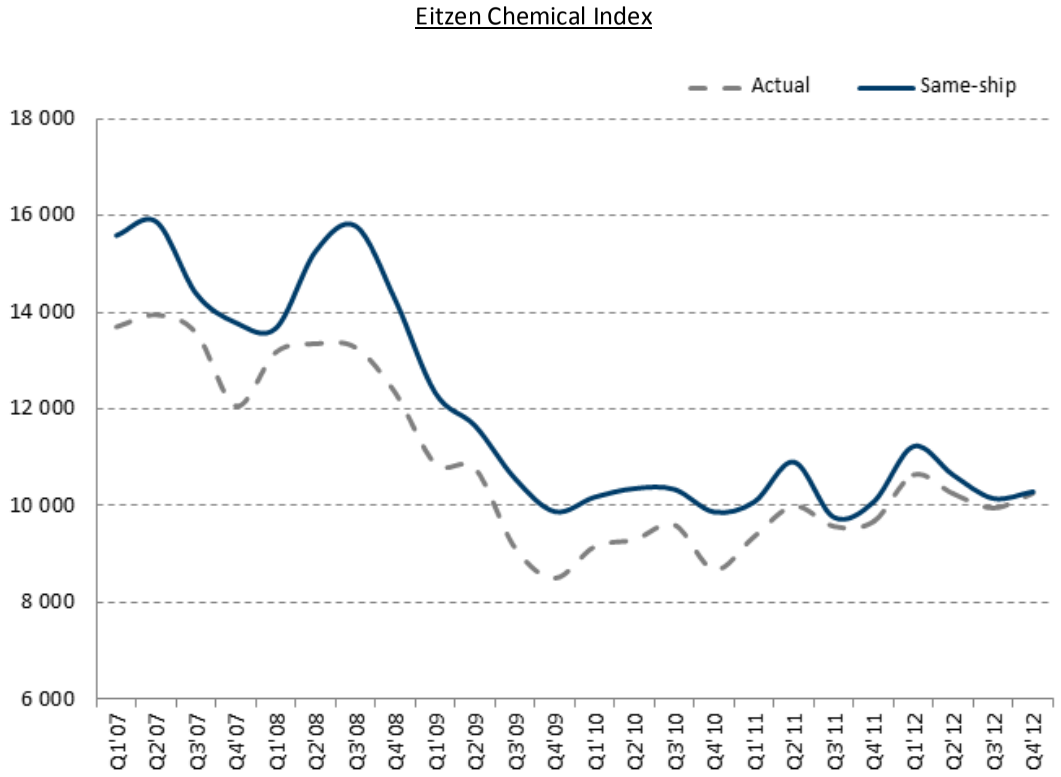
The world's chemical production capacity has been growing steadily during the last decade, partly influenced by increasing consumption as a result of a growing world population. Traditionally, the key areas for production and consumption of chemicals have been the main traditional industrial areas in North America, Northwest Europe and Japan. Going forward a rapid build-up of new chemical plants, especially in the Middle East, Asia and South America is expected. The Middle East and Asia is therefore expected to become more important regions for the chemical tanker industry. In recent years, China has also emerged as a significant importer and exporter of chemicals, and this is likely to continue. The long term growth rate for global chemicals and plastics demand has been estimated to be around five per cent. Further, the demand for marine chemical transportation, measured in tonne miles, is expected to continue exceeding the growth in demand measured in tonnes, as a result of the increasing industrial production and increased chemical plant and refinery capacity in the Middle East and Asia.

Freight rates

The table on the following page sets forth the development in the Eitzen Chemical Index (ECI) since 2006, both the actual development and the development on same-ship basis. The Eitzen Chemical Index (ECI) is based on the Company's sailed in time-charter equivalent (TCE) earnings per day. The TCE earnings are included with nominal values. Certain vessels in the current fleet were delivered in the period 2007-2009. The average weighted TCE for these vessels are only included from the time of delivery.

In 2009, high fleet growth coupled with reduced industrial production as a consequence of lower economic activity and negative GDP growth in the major economies, had a negative impact on chemical tanker demand and freight rates. Industrial production has however, in most parts of the world, picked up and increased demand for chemicals and the seaborne transportation of same. The continuation of high bunker expenses throughout 2012 had a negative impact on the Eitzen Chemical Tanker Index, which measures time-charter equivalent earnings, i.e. revenues after voyage related costs such as bunker costs. However, lately the market has partly managed to absorb the increase in bunker prices with modest increases in freight rates.

[1] *International Monetary Fund: World Economic Outlook Update, 23 January 2013*



The chemical industry is reporting improved earnings, increased sales and has a positive outlook in general. The increased production of petrochemical products in the Middle East and Asia is likely to have positive consequences for the tonne-mile matrix for chemical tankers. Industry sources estimate that demand for seaborne chemical transportation will increase by 4-5 per cent in 2013, and demand for tonnage expressed in tonne-mile to increase even more. Furthermore, the fleet growth for chemical tankers between 3,000 and 54,000 dwt is expected to be limited going forward. As a consequence, the remaining oversupply is expected to be absorbed, giving rise to an increase in the global fleet utilization and a significant recovery in freight rates.

Board of Directors' report

A successful financial restructuring of Eitzen Chemical's bank and bond debt was concluded in January 2013. The new financial structure will secure headroom and stable operations in the years to come, even in a slowly improving market. A term- and revolving credit facility of USD 30 million is secured to provide the Company with sufficient available liquidity. The facility was undrawn as of year-end 2012.

Eitzen Chemical will continue its focus on strengthening the Company's capital situation and evaluate potential partners who are willing to invest long term in the Company.

The weak chemical tanker market continued in 2012. Eitzen Chemical experienced a firmer market in the first half of 2012 relative to 2011, driven by positive signals for the global industrial production and improvement in the supply and demand balance in the chemical tanker market. However, spot volumes and spot market freight rates came under pressure in the second half of 2012 influenced by the uncertain and slowing world economy.

Eitzen Chemical sold three older vessels in 2012. The vessels are considered non-core and the transactions are expected to improve the Company's operating performance. The average time-charter rate in 2012 increased by 8.0 per cent to USD 10,275 per day, up from USD 9,516 per day in 2011.

Consolidated Freight revenue in 2012 for Eitzen Chemical was USD 401.2 million, compared to USD 426.0 million in 2011. EBITDA was USD 33.5 million, up from USD 25.6 million in the previous year. Net loss for 2012 was USD 136.3 million, including impairment of USD 70.4 million of vessels in the Company's lease portfolio, which compares to a net loss of USD 154.0 million in 2011.

The chemical tanker market improved towards year end 2012, and going into 2013 we have seen increased activity and higher fleet utilization in important trade lanes. Although we expect a challenging market in 2013, the fundamental outlook for the supply/demand balance in 2013 is more optimistic than for 2012 due to easing supply growth. Operationally Eitzen Chemical is focused on continuous improvements in all disciplines of the Company's business. Cost control, vetting performance, maintaining and establishing long term customer relationships are key focus areas for the Company during these challenging market conditions.

Business summary

Eitzen Chemical operates vessels ranging from 3,500 to 48,000 dwt, designed for the transport of IMO II classified chemical cargoes. As of 31 December 2012, the Eitzen Chemical fleet consisted of 50 vessels, of which 46 were owned or on finance lease and four were on operating lease. As part of our strategy to improve fleet efficiency and operating cash flow, three older and non-core vessels were sold in 2012; the Sichem Pearl (10,331 dwt, built 1994), the Ievoli Silver (5,400 dwt, built 1992) and the Torquato (5,400 dwt, built 1992). The strategy of discontinuing as pool manager was completed in the first half of 2012, and we have consequently experienced improved vetting performance and utilization within these ship classes. Eitzen Chemical has one of the most modern chemical tanker fleets in the world with an average age of less than eight years. The vessels are commercially operated through offices in Denmark, Spain, USA and Singapore. Eitzen Chemical's headquarter is located in Norway.

The Company's 16 stainless steel vessels below 12,000 dwt primarily operate on regional trades servicing our customers in Europe, the Mediterranean and West Africa. This is an intensive industrial shipping operation with several long running customer relationships. Through the City Class vessels, consisting of 15 vessels of around 13,000 dwt, Eitzen Chemical is trading both in Europe, Transatlantic, in the Americas and to a certain extent in Asia.

The Company's 10 vessels between 17,000 dwt and 30,000 dwt are trading in contract- and spot trades on a worldwide basis, with focus around the Middle East chemical exports. The IMO II MRs operates in global trades and are commercially managed through Team Tankers. At year end Team Tankers consisted of 8 vessels, of

which the Company financially controls all eight. The operation of Team Tankers is based on a portfolio of Contracts of Affreightment (CoAs) in the commodity chemicals trade.

During 2012 the Company has renewed and entered into several longer term CoAs with major international oil and chemical companies at higher freight rate levels than has been the case in recent years prior to 2012. The term business coverage, measured in earnings, was 39 per cent for 2012, with the CoA cover at 34 per cent and Time Charter cover at 5 per cent. In line with the Company's strategy the CoA cover has increased over the past years. The quantity and number of liftings under the CoAs increased during 2012, resulting in increased revenues under the CoAs.

In the first quarter of 2012, the market conditions in all of the Company's markets showed positive volume and freight rate developments. The market development for the smaller vessels trading regionally was particularly strong, where both CoA volumes and spot volumes improved, resulting in higher fleet utilization and upward pressure on freight rates. The short sea European market also held up relatively well supported by strong CoA nominations throughout the second quarter. The intra Atlantic market had a continuous positive development through the first quarter but experienced sluggish spot volume and rate developments towards the end of the first half of 2012. Export volumes from both Europe and USA to Asia started 2012 at the high level from the previous year. In the long-haul trades between the Atlantic and Pacific the spot volumes and freight rates came under pressure while CoA volumes persisted and several of the Company's larger vessels were scheduled on long CoA voyages at sustainable levels. The intra-Asia spot market experienced marginal improvements in activity and rates. The long haul palm oil and bio fuels trades from Asia direction Atlantic had a weaker development with less volume. The Middle East market improved significantly through the first quarter but came later under pressure.

The weaker undertone that was experienced through the second quarter continued into the third quarter. In most trade lanes the market remained stagnant in the second half of 2012. The CoA volumes were overall stable but with geographic and product specific variances. The backwardation of product prices continued to negatively impact shipped spot volumes resulting in lower fleet utilization. Although the market conditions continued to be influenced by the uncertain and slow world economy, at the end of the year the market showed improvements. In particular the freight rates in the USG/Asia and Middle East trades were stronger and the Asia export market for Palm oils remained firm.

The continuing very high bunker price is an area of concern. The corresponding increase in voyage costs, even if partly compensated for by our customers, challenges the development of net freight rates towards more sustainable levels. The average bunker price in 2012 was about USD 638 per ton, and the bunker prices have risen from around USD 200 per ton at the beginning of 2009.

The chemical tanker market is still negatively impacted by the extensive deliveries of new tonnage in the years prior to the financial crisis and downturn in the chemical tanker market. However, we experience that the demand for chemicals and the seaborne transportation of chemical products is improving, driven by strong demand from China and other emerging Asian economies. The supply side is also improving with around 6 per cent of current fleet on order and about a 1.6 per cent fleet growth in 2012. Although the world macroeconomic indicators are uncertain and market improvements fragile, Eitzen Chemical believes that with the improvements on the supply side, only a moderate increase in demand is required for a recovery.

Financial review

Consolidated freight income for the Company in 2012 was USD 401.2 million compared to USD 426.0 million in 2011. Freight income on T/C basis was USD 194.6 million following the sale of three vessels in 2012, down from USD 200.6 million in 2011. The average time-charter rate in 2012 was 10,275 per day, up from 9,516 per day in 2011. Ship operating expenses of USD 119.4 million and Charterhire expenses of USD 20.7 million, were down USD 3.7 million and USD 11.3 million, respectively, compared to 2011 following a reduction in the fleet. General and administrative expenses were USD 22.9 million, and down USD 2.6 million compared to previous year mainly due to a reduction in overhead costs. Reported EBITDA in 2012 was USD 33.5 million, compared to USD 25.6 million in 2011.

The Company has performed an impairment test at year-end and recognized an impairment of USD 70.4 million (2011: USD 62.5 million). The impairment is related to vessels in the Company's lease portfolio, and reflects the effect of updated assumptions of vessels in the lease portfolio including the contractual expiry of two vessels in 2013. The Company has sold three older vessels in 2012 and recognized a loss of USD 10.2 million from the sales, compared to a gain on sale of assets of USD 3.7 million in 2011. Depreciation amounted to USD 64.8 million (2011: USD 77.6 million). The operating result (EBIT) for 2012 was negative USD 111.8 million compared to negative USD 110.8 million in the previous year.

Net financial items for 2012 were negative USD 24.5 million (2011: 40.7 million), of which interest expenses were USD 47.0 million. This also comprises a finance income of USD 30.4 million mainly related to two of the Company's time charter contracts accounted for as finance leases which expire in the first half of 2013 and where it is assumed that the purchase options on these vessels will not be exercised. The estimated lease obligations have been updated to reflect this assumption. Further, USD 2.2 million in net unrealized currency loss on the NOK denominated bond loan and JPY denominated purchase options included in the finance lease obligations have been recognized. Debt restructuring fees of USD 5.8 million have been expensed, and in 2012 the Company has capitalized USD 6.1 million in fees related to the debt restructuring process.

Net loss for the year was USD 136.3 million compared to a net loss of USD 154.0 million in 2011.

As of 31 December 2012, Eitzen Chemical's total assets were USD 962.6 million. Total fleet book value was USD 858.6 million as of 31 December 2012. The book value of the Company's vessels decreased by USD 136.5 million in 2012, reflecting depreciation, impairment of USD 70.4 million, and the sale of three vessels.

Cash and cash equivalents amounted to USD 30.9 million, a decrease of USD 35.9 million during the year. In 2012, Eitzen Chemical had a net cash flow from operating activities of USD 36.2 million. Net cash flow from investing activities was negative USD 8.8 million. Net cash flow from financing activities amounted to negative USD 63.8 million.

Total equity at the end of the year was negative USD 32.1 million, down from USD 104.1 million in 2011. On 5 February 2013 the Company held an extraordinary general meeting where a reverse share split in the ratio 100:1 was approved. The Company's share capital is at the issue date of this report NOK 846,016,800 divided by 11,280,224 shares, each with a par value of NOK 75. Eitzen Chemical's market capitalization was USD 16.2 million on 31 December 2012 compared to USD 30.1 million at year end 2011.

Capital resources and investments

In 2012 Eitzen Chemical entered into a process with its lenders to restructure the Company's debt as the debt moratorium period, agreed with its banks in 2009, would expire in November 2012. A successful financial restructuring of Eitzen Chemical's bank and bond debt was concluded in January 2013. The new financial structure will secure headroom and stable operations in the years to come, even in a slowly improving market. A term- and revolving credit facility of USD 30 million is secured to provide the Company with sufficient available liquidity. The facility was undrawn as of year-end 2012.

Until January 2015, the Company's cash commitments on interest payments are limited to LIBOR on the restructured bank debt. All other interest commitments may accrue on the balance of the bank and bond facilities. When the market recovers and the Company has excess cash to service interest margins and/or installments, excess cash will be swept in accordance with the agreement between all the Company's lenders.

From January 2015, the Company is obliged to pay LIBOR plus a margin of 2.75 per cent on the majority of the loans. Fixed debt installments will commence in April 2015 with flexible repayment terms from then to maturity in May 2016. More details regarding the agreements can be found in note 18 to the financial statements.

Total interest bearing debt per 31 December 2012 was USD 935.6 million down from USD 973.3 million at the beginning of the year. Total interest bearing debt includes USD 668.7 million drawn on bank facilities and USD 114.3 million related to the bond loan. Total interest bearing debt also includes USD 152.5 million in finance lease obligations, of which USD 84.8 million is the potential payment if the Company declares its right, but not

obligation, to purchase the vessels from its owners on certain dates in the leasing period. USD 769.8 million of the Company's bank and bond debt has been classified as short term debt at the reporting date in accordance with the presentation requirements under IFRS. However, both the bank and bond debt have been restructured and is not payable short term. The bank and bond debt will be reclassified to non-current in the first quarter of 2013 following the conclusion of the financial restructuring.

Total equity at the end of the year was negative USD 32.1 million (2011: positive USD 104.1 million), and as stated in the minutes from the extraordinary general meeting held on 5 February 2013 and based on the agreements with the Company's lenders, the Board currently considers the Company's capital situation as adequate. Nevertheless, the Board considers the current net asset value to be below par value of the Company's shares in the current market situation. At the Ordinary General Meeting in 2013 a share capital reduction through a write down of par value will be proposed.

With challenging conditions prevailing and a historically long downturn in the chemical tanker market, Eitzen Chemical has since 2009 focused on improving its financial position. Eitzen Chemical will continue to focus on strengthening the Company's capital situation and evaluate potential partners who are willing to invest long term in the Company.

There is significant long term risk associated with the current leverage of the Company and the liquidity risk inherent in the Company's financial liabilities is considerable. However, Eitzen Chemical remains confident that the chemical tanker market eventually will benefit from improved market fundamentals and fully recover.

As of 31 December 2012, Cash and cash equivalents amounted to USD 30.9 million (2011: 66.8 million). Under the new loan agreements the Company will have a minimum liquidity covenant of USD 30 million, measured based on the Company's cash and cash equivalents and any undrawn amount under the new revolving credit facility of USD 30 million.

Eitzen Chemical invested a total of USD 14.8 million in 2012, mainly relating to upgrading and docking of vessels, compared to total investments of USD 19.9 million in the previous year. Net proceeds from the sale of three vessels in 2012 amounted to USD 6.0 million.

Based on the above and pursuant to Section 3-3a of the Norwegian Accounting Act, the Board confirms that the going-concern assumption applies and that the annual accounts have been prepared on the basis of this assumption.

Financial risk

A successful financial restructuring of Eitzen Chemical's bank and bond debt was concluded in January 2013 (refer to the "Capital resources and investments" section above and note 18 for further information).

Market conditions for shipping activities are typically volatile and results may vary considerably from year to year. Furthermore, vessels and cargoes are subject to perils particular to marine operations, including capsizing, grounding, collision, piracy, and loss or damage from severe weather conditions. Such circumstances may result in damages to property, the environment or persons and expose the company to loss or liability. In addition, the Company is exposed to a number of different financial market risks arising from the normal business activities. Additional risks not presently known to the Board of Directors, or considered immaterial at this time may also impair its business operations and prospects.

Fluctuations in freight rates and bunker fuel prices are key factors affecting the cash flow and the value of our assets. The fluctuation in freight rates is to some extent reduced by the Company's portfolio of CoAs and time-charters. The Company seeks to reduce the exposure to fluctuating bunker fuel prices through compensation clauses in contracts with customers. On CoAs where this is not possible, the Company may utilize commodity based derivatives to reduce the bunker exposure. The Company does not hedge the bunker risk related to its spot market exposure. Over time, freight rates should adjust to reflect changes in bunker expenses. However, this adjustment tends to lag in time.

Interest and exchange rate risks are significant financial risks for Eitzen Chemical. Management periodically review and assess the primary financial market risks. The risks are managed on a group portfolio level in accordance with strategies, policies and authorization defined by the Board of Directors. At the end of 2012 approximately 84 per cent of our interest bearing debt carried floating interest rates. The Company currently pays floating interest rates on its bond and bank debt, while the Company's leasing obligations have fixed rates.

Eitzen Chemical's revenues are predominately in USD. Portions of our operating expenses and general and administrative expenses are denominated in non-USD currencies, mainly DKK, NOK, EUR and SGD. Interest bearing debt is mainly in USD. However, the Company's outstanding bond loan has one NOK tranche. Some of the purchase options on leased vessels are in JPY.

Health, safety and environment

The safety and well-being of our employees has our highest priority. Eitzen Chemical aims to continuously provide and enhance healthy, high-quality working conditions, both onshore and onboard vessels. The Company has outsourced crewing and technical management. Eitzen Chemical has a fleet management department responsible for monitoring the Health, Safety, Environment and Quality performance of the technical managers.

Attracting and retaining qualified seafarers remains an area of strategic importance for Eitzen Chemical, and the Company is executing a comprehensive crewing strategy in close cooperation with our technical managers. The objective is to strengthen Eitzen Chemical's brand and image in selected national pools while exploiting the strong presence and position that the individual technical manager has established regionally.

During 2012 the Company achieved a further improvement of retention rate for officers, measured at 89 per cent according to Intertanko's standard. To ensure a continued flow of dedicated and qualified officers, Eitzen Chemical, in close cooperation with our technical managers, is engaged in the continued training of seafarers and education of cadets and has around 40 cadet positions onboard our vessels. The Company will further develop and execute on the crewing strategy and the implementation of crew welfare initiatives in order to continue improving officers' retention rate and maintaining a challenging and motivating work place, thus creating top performing vessels.

The Lost Time Injury Frequency (LTIF) was 0.63 per million working hours in 2012 for crews on Eitzen Chemical operated vessels. Absence due to illness for onshore employees was 0.8 per cent in 2012. For shore-based employees, no work-related injuries were reported during the year.

Piracy is still an area of great concern. While there recently has been a decrease in acts of piracy in the Gulf of Aden and Somali Basin, the number of reported incidents in West Africa has increased. Our technical managers have adopted best management practices consistent with the industry standards and under suggestion by Intertanko and OCIMF to deter piracy. All of our vessels are registered with the EU Naval Force (Maritime security centre) which co-ordinates vessel's transit schedules with the appropriate naval vessels in the Gulf of Aden and Somali basin. Depending on the present conditions and individual risk factors for the particular vessel, preventive measures are being evaluated for each transit according to Eitzen Chemical piracy policy.

Eitzen Chemical is aware of its environmental responsibility and we strive to comply with and maintain high standards in order to reduce the environmental impact from our operations. The technical managers are certified with Environmental Management Systems Certificate ISO 14001 as well as ISO 9001:2000. The certificates are issued by the classification society and establish environmental standards and implementation routines. Continuous efforts are made in order to reduce the general waste produced by the vessels and to dispose of waste onshore in a controlled manner at approved port waste reception facilities. The fleet complies with the IMO recommendations on waste management. Pollution by invasive species carried with ballast water has become an important issue. All the ships have ballast water management systems in place. The company has further started preparing its vessels to install ballast water treatment systems in line with new regulations entering into force. The Company has invested additional funds in new vessels, meeting requirements that refrigeration and air-conditioning systems in the vessels be upgraded to R404 refrigeration gas, which is CFC free.

Exhaust fumes from the vessels' engines account for the main part of the air pollution generated by the Company's operations. All vessels contracted after 2005 are compliant with NOX emissions requirements. The modern Siteam class of vessels from Trogir meets all the criteria of the Lloyd's Register Environmental Protection Notation. This notation covers a diversity of subjects ranging from air pollution to sea water pollution. To further limit air pollution, the smaller vessels have been built fully compliant with current regulations on NOX and SOX emissions and are also built to be able to further reduce SOX emissions. Eitzen Chemical conducts improvement projects and testing aimed at reducing our environmental impact, including hull cleaning and propeller polishing in addition to testing of fuel additives for improved combustion, both aimed at reducing fuel consumption and air pollution.

Human resources and diversity

On 5 September 2012 Bjørn J. Sjaastad withdrew as Chairman of the Board and Aage R. B. Figenschou, who has served as a Board member since 2009, took up the position as new Chairman. The Board of Directors currently consist of four members, and represent a strong combination of shipping, banking and financial experience. Three out of four members of the Board of Directors are independent of Eitzen Chemical's largest shareholder, Jason Shipping ASA.

As of year-end 2012, Eitzen Chemical had 1,250 crew members employed on its vessels or on leave. In addition, the Company had 79 permanent employees onshore.

We value our employees as our key resource. Eitzen Chemical will continue to focus on attracting and keeping the best qualified and motivated employees. Eitzen Chemical is a global organization with a diversified working environment in which employment, promotions, responsibility and job enrichment are based on qualifications and abilities, and not on gender, age, race and political or religious views.

Eitzen Chemical believes in equal opportunity for men and women in the workplace. However, the shipping business is historically male-dominated. Female representation among employees therefore remains low and accounted for approximately 24 per cent of the onshore work force in 2012. At executive management level, there are currently no women represented. The Board complies with the 40 per cent gender requirement for Board of Directors stipulated by Norwegian law.

Eitzen Chemical focuses on transparency in its business practices, supports free enterprise and seeks to compete in a fair and ethical manner. The Board of Eitzen Chemical has approved a Code of Conduct defining the Company's ethical standards.

Corporate governance

The Board of Eitzen Chemical is committed to developing a strong, sustainable and competitive company in the best interest of the shareholders, employees, customers, creditors, business associates, third parties and society at large. The Board of Directors and Management aim for a controlled and profitable development and long-term creation of growth through well-founded governance principles, operational procedures and risk management.

The responsibility and working procedures of the Board are regulated by Instructions for the Board of Directors of Eitzen Chemical ASA, Eitzen Chemical's Corporate Governance policy and the Company's Code of Conduct. The Board acknowledges the Norwegian Code of Practice for Corporate Governance and will work on implementing this Code, using the guidelines as recommendations for the board's governance duties. For more detailed information see the Corporate Governance principles included in the annual report.

Parent company

The Board proposes that the net loss of NOK 824.0 million for the parent company is attributed to Retained losses. The loss in 2012 mainly relates to a loss of NOK 760.4 from an internal sale of shares in subsidiaries due to a company restructuring following the new loan agreements with the lenders of the Eitzen Chemical Group.

Further, impairment charges NOK 10.5 million were recorded on financial assets. Total equity for the parent company as at 31 December 2012 is negative NOK 216.0 million.

The unrestricted equity available for distribution as of 31 December 2012 is zero. Total assets as of 31 December 2012 amounts to NOK 481.2 million, compared to NOK 1,289.7 million as of 31 December 2011. Total cash and cash equivalents amount to NOK 18.1 million as of 31 December 2012, compared to NOK 216.0 million the previous year.

Outlook

The fundamental outlook for the supply/demand balance in 2013 is more optimistic than for 2012 due to easing supply growth. World GDP growth and industrial production in most parts of the world has picked up from the low point in 2009, which has increased demand for chemicals and the seaborne transportation of same.

The remaining orderbook[1] for chemical tankers (tankers below 54,000 dwt) is about 6 per cent of the fleet, while the orderbook of smaller stainless steel vessels is only 2 per cent. In 2012, total deliveries of newbuildings were 1.8 million dwt, with scrapping of 1.2 million dwt, i.e. a net fleet growth of 0.6 million dwt, or 1.6 per cent, compared to 3.9 per cent in 2011 and 4.2 per cent in 2010. If the relative level of scrapping in 2013 and 2014 equals scrapping in 2012, the net annual fleet growth the coming years will be marginal. Industry sources estimate that demand for seaborne chemical transportation will increase by 4-5 per cent in 2013, and demand for tonnage expressed in tonne-mile to increase even more. Hence, the development of the supply/demand balance is expected to continue improving. Over the coming years the market should experience increased fleet utilization. When the remaining oversupply of chemical tankers has been absorbed the chemical tanker market should see a significant recovery, both in rates and second hand values.

Forward looking statement

This report contains forward looking statements. These statements are based upon various assumptions. Although Eitzen Chemical believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control. Eitzen Chemical cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions. No assurance can be given that the Company will be able at all times to be in compliance with all of its financial covenants towards its finance providers or to agree such necessary arrangements to timely secure full compliance with the terms of the agreements with its lenders. Such arrangements might require discussions with, amongst others, the Company's lenders and such discussions might not be concluded and agreed in a timely manner, if at all.

[1] Source: Eitzen Chemical based on industry sources

Oslo, 15 March 2013

The Board of Directors of Eitzen Chemical ASA

Aage Rasmus Bjelland Figenschou
Chairman of the Board

Carl Erik Steen

Helene Jebsen Anker

Heidi Marie Petersen

Per Sylvester Jensen
Chief Executive Officer

Consolidated Income Statement

(USD '000, except per share data)

	Note	2012	2011
Freight revenue	3	401 248	426 039
Voyage expenses	5	-206 655	-225 465
Freight income on T/C basis		**194 593**	**200 574**
Management fees and other income	6	1 933	5 654
Gross profit		**196 526**	**206 228**
Ship operating expenses	7	-119 356	-123 144
Charterhire expenses	4,19	-20 713	-31 979
General and administrative expenses	8	-22 944	-25 505
EBITDA (Earnings before interest, taxes, depreciation and amortisation)		**33 513**	**25 600**
Impairment	12	-70 391	-62 510
Depreciation and amortisation	12	-64 779	-77 586
Gain/(loss) on sale of assets	12	-10 172	3 661
EBIT (Earnings before interest and taxes)		**-111 829**	**-110 835**
Interest income	9	92	453
Interest expenses	9	-46 976	-43 683
Other financial items	9	22 398	2 566
Profit (loss) before taxes		**-136 315**	**-151 499**
Income tax expense	10	-1	-2 530
Net profit (loss)		**-136 316**	**-154 029**
Attributable to owners of the parent		-136 316	-154 029
Basic/diluted earnings per share	11	-USD 12.10	-USD 15.53

See accompanying notes that are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

(USD '000)

	2012	2011
Net profit (loss)	**-136 316**	**-154 029**
Other comprehensive income		
Foreign currency translation differences	25	-625
Total items that may be reclassified to profit or loss	**25**	**-625**
Other comprehensive income net of taxes	**25**	**-625**
Total comprehensive income for the year net of taxes	**-136 291**	**-154 654**
Attributable to the equity holders of the parent	**-136 291**	**-154 654**

See accompanying notes that are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

(USD '000)

	Note	31.12.2012	31.12.2011
ASSETS			
Vessels	12	706 102	759 500
Vessels held under finance leases	12	152 499	235 637
Other equipment	12	205	419
Other non-current assets		3 347	2 000
Total non-current assets		**862 153**	**997 556**
Trade and other receivables	14	50 951	62 375
Inventories		16 681	20 457
Derivative financial instruments	20	-	169
Other current assets		1 911	2 235
Cash and cash equivalents	15	30 926	66 826
Total current assets		**100 469**	**152 062**
TOTAL ASSETS		**962 622**	**1 149 618**
EQUITY AND LIABILITIES			
Share capital		148 037	148 037
Share premium		20 550	20 550
Treasury shares		-116	-116
Other paid in equity		631 440	631 440
Total paid in capital	16	**799 911**	**799 911**
Retained earnings		-841 681	-705 365
Other reserves		9 625	9 600
Total equity	16	**-32 144**	**104 146**
Interest-bearing loans and borrowings	18	13 263	761 666
Obligations under finance leases	18,19	140 149	186 587
Pension obligations	13	202	562
Total non-current liabilities		**153 614**	**948 815**
Trade and other payables	17	58 568	70 786
Current portion of interest-bearing loans and borrowings	18	769 793	11 669
Current portion of obligations under finance leases	18,19	12 380	13 406
Income tax payable	10	7	21
Other current liabilities	4	404	775
Total current liabilities		**841 152**	**96 657**
Total liabilities		**994 766**	**1 045 472**
TOTAL EQUITY AND LIABILITIES		**962 622**	**1 149 618**

See accompanying notes that are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

(USD '000)

	Note	2012	2011
Profit/(loss) before taxes		-136 315	-151 499
Non-cash adjustment			
(Gain)/loss on sale of assets		10 172	-3 661
Depreciation and amortisation	12	64 779	77 586
Impairment	12	70 391	62 510
Effect of updated estimated finance lease obligations	18	-30 432	-11 135
Share-based incentive expense	8	-	446
Amortised borrowing cost		6 046	2 448
Interest expenses		40 930	41 235
Interest income		-92	-453
Foreign currency (gain)/loss		2 292	5 341
Change in pension liabilities	13	-392	-162
Other changes		7 457	732
Working capital adjustments			
Change in current assets		14 186	-3 314
Change in current liabilities		-12 811	-3 170
Taxes paid		-	-22
Net cash flow from operating activities		**36 211**	**16 882**
Net proceeds from sale of vessels		5 954	2 821
Payments on vessels (mainly upgrading and docking)	12	-14 806	-19 871
Interest received		92	489
Net cash flow from investing activities		**-8 760**	**-16 561**
Proceeds from borrowings		2 139	416
Repayment of long term debt		-7 033	-5 399
Repayment of obligations under finance leases		-13 407	-12 420
Interest paid		-39 914	-39 706
Payment of other financial costs		-5 544	-
Net proceeds from share issuance		-	52 919
Net cash flow from financing activities		**-63 759**	**-4 191**
Net change in cash and cash equivalents		**-36 308**	**-3 868**
Effect of exchange rate changes on cash		408	-1 427
Cash and cash equivalents at the beginning of period		66 826	72 121
Cash and cash equivalents at 31 December *	15	**30 926**	**66 826**

* Whereof USD 1.9 million is restricted (2011: MUSD 1.1).

See accompanying notes that are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

(USD '000)

2012	Attributable to equity holders of the parent company									
	Paid in capital					Other reserves				
	Share capital (Note 16)	Share premium	Employee benefit reserve	Treasury shares (Note 16)	Other paid in equity	Retained profits/ losses	Reva-luation reserve	Trans-lation reserves	Total other reserves	Total
At 1 January 2012	**148 037**	**20 550**	**1 591**	**-116**	**629 849**	**-705 365**	**3 406**	**6 194**	**9 600**	**104 146**
Profit (loss) for the period	-	-	-	-	-	-136 316	-	-	-	-136 316
Other comprehensive income	-	-	-	-	-	-	-	25	25	25
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-136 316**	**-**	**25**	**25**	**-136 291**
At 31 December 2012	**148 037**	**20 550**	**1 591**	**-116**	**629 849**	**-841 681**	**3 406**	**6 219**	**9 625**	**-32 144**

2011	Attributable to equity holders of the parent company									
	Paid in capital					Other reserves				
	Share capital (Note 16)	Share premium	Employee benefit reserve	Treasury shares (Note 16)	Other paid in equity	Retained profits/ losses	Reva-luation reserve	Trans-lation reserves	Total other reserves	Total
At 1 January 2011	**128 279**	**19 458**	**1 145**	**-155**	**597 818**	**-551 336**	**3 406**	**6 819**	**10 225**	**205 435**
Profit (loss) for the period	-	-	-	-	-	-154 029	-	-	-	-154 029
Other comprehensive income	-	-	-	-	-	-	-	-625	-625	-625
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-154 029**	**-**	**-625**	**-625**	**-154 654**
Reduction of share capital (Note 16)	-32 070	-	-	39	32 031	-	-	-	-	-
Issue of share capital (Note 16)	51 827	3 455	-	-	-	-	-	-	-	55 282
Transaction costs	-	-2 363	-	-	-	-	-	-	-	-2 363
Share-based payment (Note 8)	-	-	446	-	-	-	-	-	-	446
At 31 December 2011	**148 037**	**20 550**	**1 591**	**-116**	**629 849**	**-705 365**	**3 406**	**6 194**	**9 600**	**104 146**

Employee benefit reserve
The employee benefits reserve is used to record the value of the Company's share-based incentive program. Refer to Note 8 for further details of the plans.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries in foreign currencies.

Treasury shares
The treasury shares are used to record purchase of own shares. The Company has 1 010 000 treasury shares. See Note 16 for further details. On 5 February 2013 the Company held an extraordinary general meeting whereby a reverse share split in the ratio 100:1 was approved. The Company currently has 10 100 treasury shares. Refer to note 23 for further information.

Revaluations reserve
The revaluation reserves are used to record step by step revaluation in connection with purchase of subsidiaries.

See accompanying notes that are an integral part of these consolidated financial statements.

Notes to the Financial Statements

Note 1 - Corporate information

Eitzen Chemical ASA (Eitzen Chemical or the Company) is a public limited liability company incorporated and domiciled in Norway which shares are listed on Oslo Stock Exchange. The address of the domicile is Ruseløkkveien 6, P. O. Box 1794 Vika, 0122 Oslo, Norway. The principal activities of Eitzen Chemical are described in the Board of Directors' report. The consolidated financial statements of Eitzen Chemical for 2012 were approved by the Board of Directors (the Board) and the Chief Executive Officer (CEO) on 15 March 2013, and will be presented for approval at the Annual General Meeting in the second quarter of 2013.

Note 2.1 - Basis of preparation

The consolidated financial statements for Eitzen Chemical and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The consolidated financial statements have been prepared on a historical cost basis, except for financial assets and liabilities held for trading and all financial assets that are classified as available for sale. These financial assets and liabilities are measured at fair value. The consolidated financial statements are presented in US Dollars thousands (USD '000) except when otherwise indicated.

Going concern
Based on the agreements with the lenders, the financial statements have been prepared on the basis of the going concern assumption, which contemplates the realisation of assets and the liquidation of liabilities as part of the normal course of business.

Basis of consolidation
The consolidated financial statements comprise the financial statement of Eitzen Chemical and its subsidiaries at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent policies. The consolidated financial statements include the parent company Eitzen Chemical ASA and undertakings in which the parent company directly or indirectly holds more than 50 per cent of the share capital, has corresponding voting rights, or otherwise has an actual controlling interest. All Group balances, and profits and losses resulting from intercompany transactions are eliminated.

Note 2.2 - Significant accounting judgments, estimates and assumptions

Certain of our accounting principles require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates that affect the reported amounts of assets, liabilities, revenues, expenses and information on potential liabilities. By their very nature, these judgments are subject to an inherent degree of uncertainty. These judgments and estimates are based on historical experience, terms of existing contracts, observation of trends in the industry, information provided by customers and where appropriate, information available from other sources. Although these estimates are based on management's interpretations of current events and actions, future events may lead to these estimates being changed and actual results may ultimately differ materially from those estimates. Such changes will be recognized when new estimates can be determined.

Judgments
In the process of applying Eitzen Chemical's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the financial statements.

Impairment
The Company has defined the whole fleet as one Cash Generating Unit (CGU) as the vessels are operated as a portfolio and each vessel is dependent of each other. An individual vessel can be chartered on behalf of several clients and trade lanes throughout the world. No vessels are defined for a specific type of cargo or trade within a particular geographical area. Refer to note 12 for further information on the impairment assessment.

Operating versus finance lease agreements
Based on the content of a leasing agreement, Eitzen Chemical determines whether the agreement is considered as an operating or a finance lease agreement. In this determination, assumptions are made and if the same assumptions were judged differently, it could have an effect on the income statement and the statement of financial position. One of the most significant judgments is the forecasted future market value of the leased vessel at the dates when the purchase option is expected to be declared.

Estimates and assumptions
Management has made estimates and assumptions which have significant effect on the amounts recognised in the financial statements. In general, accounting estimates are considered significant if:

- the estimates require assumptions about matters that are highly uncertain at the time the estimates are made
- different estimates could have been used
- changes in the estimates have a material impact on Eitzen Chemical's financial position

Carrying amount of vessels, depreciation and residual values
In addition to the purchase price, the carrying amount of vessels is based on management's assumptions of useful life and residual value of the vessels. Useful life may change due to change in technological developments, competition, environmental and legal requirements, freight rates and steel prices.

The residual value of the vessel is calculated as the light displacement of the vessel multiplied with the estimated steel prices minus the estimated cost in connection with the scrapping. Residual values are challenging to estimate given the long lives of the vessels, the uncertainty as to future economic conditions and the future price of steel, which is considered as the main determinant of the residual price. Eitzen Chemical currently estimates residual value annually based upon the average steel price for the last five years.

Impairment
When value in use calculations are performed, management estimate the expected future cash flows from the assets or cash-generating unit and determine a suitable discount rate in order to calculate the present value of those cash flows. This will be based on management's evaluations, including estimating future performance, revenue generating capacity, and assumptions of future market conditions and appropriate discount rates. Changes in circumstances and in management's evaluations and assumptions may give rise to impairment losses. While management believes that the estimates of future cash flows are reasonable, different assumptions regarding such cash flows could materially affect the evaluations.

At each reporting date, management assesses indicators of impairment for non-financial assets and whether the assumptions in the value in use calculations are reasonable.

Onerous contracts
At each reporting date, management assesses if there are contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received. A provision is recorded by estimating the present obligation under the contract.

Finance leases
Agreements to charter in vessels where Eitzen Chemical has substantially all risks and rewards of ownership, are recognised in the balance sheet as finance lease. Finance leased assets are at the inception of the lease measured at the lower of the fair value and the present value of minimum lease payments determined in the agreement. For the purpose of calculating the net present value, the interest rate implicit in the lease or the Company's incremental borrowing rate is used as a discount factor.

Provisions
Provisions are based on management's best estimate. Provisions are reviewed at each balance sheet date to reflect the best estimate of the liability.

Note 2.3 - Summary of significant accounting policies

Presentation and classification
Income statement
As permitted by IAS 1 the income statement is prepared based on a mix of nature and function, since this gives the most relevant presentation of the income statement.

Consolidated statement of financial position
Current assets and current liabilities include items due in less than one year from the balance sheet date, items used in the daily operation of the business and assets held primarily for the purpose of being traded. The current portion of long-term debt is classified under current liabilities.

Cash flow statement
The cash flow statement is prepared using the indirect method.

Participation in pools
Revenue and expenses, assets and liabilities from pool vessels are proportionately consolidated, based on the relative interest in the pools, calculated by a pool point system.

Revenue and expense
All voyage revenues and voyage expenses are recognised on a percentage of completion basis. Eitzen Chemical uses a discharge-to-discharge principle in determining the percentage of completion for all spot voyages and voyages under contracts of affreightment (CoAs). Under this method voyage revenue is recognised evenly over the period from the departure of a vessel from its original discharge port to departure from the next discharge port. For vessels without signed contracts in place at discharge no revenue is recognised before a new contract is signed. Voyage expenses incurred for vessels in the idle time are expensed. Revenues from time charters (T/C) and bareboat charters (B/B) accounted for as operating leases are recognised over the rental periods of such charters, as service is performed. Demurrage is included if a claim is considered probable. Losses arising from time or voyage charters are provided for in full when they become probable.

Other income
Management fee and other income are recognised at or during time of delivery.

Vessels
Vessels are recorded at historical cost less accumulated depreciation and any accumulated impairment charges. Cost includes expenditures that are directly attributable to the acquisition of the vessels. The cost is decomposed into vessel, docking and coating.

Useful life, depreciation and residual value
All decomposed items are depreciated on a straight-line basis over the useful life of the separate item. Depreciation is based on cost less the estimated residual value. The residual value of the vessels is estimated as the lightweight tonnage of each vessel multiplied by scrap value per ton. The residual values of docking, coating and major improvements are estimated to nil. The residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end.

Impairment of non-financial assets
At each reporting date the Company assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and the net present value (NPV) of future estimated cash flow from the employment of the asset ("value in use"). The NPV is based on a discount rate according to a weighted average cost of capital ("WACC") reflecting the Company's required rate of return. The WACC is calculated based on the expected long-term borrowing rate and a risk free rate plus a risk premium for the equity. If the recoverable amount is lower than the book value, an impairment charge is recorded. Impairment losses are recognized in the profit and loss statement. Assets are grouped at the lowest level where there are separately identifiable independent cash flows. We have made the following assumptions when calculating the value in use for material tangible assets:

Future cash flows are based on an assessment of our expected time charter earning and estimated level of operating expenses for each type of vessel over the remaining useful life of the vessel. As the Eitzen Chemical vessels are interchangeable and the regional chemical tankers are integrated with the deep sea chemical tankers through a logistical system, all chemical tankers are seen together as a portfolio of vessels. In addition the pool of officers and crew are used throughout the fleet. Eitzen Chemical has a strategy of a total crew composition and how the crew is dedicated to the individual vessels varies. As a consequence, vessels will only be impaired if the total value of the fleet of vessels based on future estimated cash flows is lower than the total book value.

An impairment loss recognised in prior periods for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Derecognition
Components of vessels are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset is included in the income statement in the year it is derecognised.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date. Leases are classified as finance leases if the terms of the lease agreement transfers substantially all the risks and rewards incidental to ownership of an asset. All other leases are classified as operating lease.

Finance leases are capitalised at inception of the lease at the fair value of the leased vessel or, if lower, at the present value of the minimum lease payments. The corresponding lease obligation is recognised as a liability in the balance sheet. Lease payments are split between interest cost and reduction of the lease liability. Interest cost is recognized in the income statement.

Finance leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. For operating leases, the payments (time-charter hire or bare boat hire) are recognised as an expense on a straight line basis over the term for the lease.

Foreign currency translation

Functional currency

Each entity in Eitzen Chemical determines its own functional currency, and items included in the financial statements of each entity are measured using their functional currency. The functional currency is the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in US Dollars which is the group's presentation currency.

Transactions and balance sheet items

Transactions in foreign currencies are recorded in the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange prevailing at the balance sheet date. All differences are recognized in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Subsidiary companies in foreign currency

For foreign operations with functional currency other than the presentation currency of Eitzen Chemical (USD), balance sheet items are translated into USD at the rate of exchange at the balance sheet date, and income statements are translated at the weighted average exchange rate for the year. The exchange differences arising on the translation are recorded directly as other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets. Financial assets classified at fair value through profit and loss are initially recognised at fair value. Other financial assets are initially recognised based on fair value plus directly attributable transaction costs. Eitzen Chemical determines the classification of its financial assets after initial recognition and, where allowed and appropriate, revaluates this designation at each financial year end. All purchases and sales of financial assets are recognised at the trade date i.e. the date that Eitzen Chemical commits to purchase the asset. Purchases or sales; are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Fair value

Fair value of assets that are actively traded in organised markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions with reference to the current market value of other similar instruments, discounted cash flow analysis or other valuation models.

From time to time the Company may enter into financial instruments in order to hedge a portion of its exposure to bunker prices. Fair value changes of the financial instruments are recognized through profit and loss under other financial items.

Amortised cost

Loans and receivables are measured at amortised cost and are computed using the effective interest method less any allowance for impairment. The calculation considers any premium or discount on acquisition and includes transaction cost and fees that are an integral part of the effective interest rate.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Eitzen Chemical provides money, goods or services directly to a debtor with no intention of trading the receivables.

Impairment of financial assets

Eitzen Chemical assesses at each balance sheet date whether an asset or portfolio of assets are impaired. A portfolio is the lowest levels for which there are separate identifiable cash flows (cash-generating units).

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not occurred) discounted at the financial asset's original effective interest rate i.e. the effective interest rate computed at initial recognition). If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined as a first-in, first-out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents, net of outstanding bank overdrafts.

Provisions

Provisions are recognised when Eitzen Chemical has a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation has to be settled and that a reliable estimate of the obligation can be made.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker whom is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Taxes

Income tax

Tax payable for the current and prior periods is measured at the amount paid or expected to be paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date. Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority, and are the basis for deferred tax assets for the Company. The Company's total deferred tax assets and liabilities are measured at the tax rates that are expected to apply at the time when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets made probable through prospective earnings, and which can be utilized against the tax reducing temporary differences are recognized as intangible assets. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. The carrying amount of the tax positions in local currency are translated to USD applying the rate of exchange at year-end. Eitzen Chemical's main shipping activity is in Singapore, Denmark and Norway. Eitzen Chemical has also taxable activities in the United States.

Income tax relating to items recognized directly in equity or other comprehensive income is recognized in equity and not in the income statement.

Singapore AIS tax scheme
The Company is granted the status of Approved International Shipping Enterprise (AIS) In Singapore. All qualified shipping income derived from the shipping activity is exempt from taxation for the duration of the AIS status. The AIS status has been granted for a period of ten years commencing November 2004. There is no tax on dividend paid from the Singapore companies to the parent companies in Singapore and Norway.

Danish tax scheme
The companies in Denmark are taxable according to the normal company tax scheme. The corporate tax rate is 25 per cent.

Norwegian tax scheme
The activities in Norway are taxable in accordance with the normal company tax scheme. The tax rate is 28 per cent.

US tax scheme
The commercial management activities are taxable in accordance with the normal tax scheme. The tax rate is approximately 35 per cent.

Note 2.4 - Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group
There are no IFRSs or IFRIC interpretations that are mandatory for the first time for the financial year beginning on or after 1 January 2012 that had a significant impact on the group.

The following amendment to an existing standard is early adopted by the Group:

- IAS 1 *Presentation of financial statements (amendment)*
  The IASB has issued an amendment to IAS 1. The amendment changes the disclosure of items presented in other comprehensive income (OCI) in the statement of comprehensive income. The amendment was endorsed by the EU in June, 2012. The Company has implemented the amended standard in its Consolidated Statement of Comprehensive Income.

(b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2012 but not currently considered relevant to the group (although they may affect the accounting for future transactions and events)

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2012 or later periods.

- IFRS 7 *Financial instruments* (amendment), applies to annual periods beginning on or after 1 July 2011. The amendments will assist users to understand the implications of transfers of financial assets and the potential risks that may remain with the transferor.

(c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not early adopted.

- *IAS 19 –Employee benefits*. This standard was amended in June 2011. The impact on the Group will be as follows: to eliminate the corridor approach and recognize all actuarial gains and losses in OCI as they occur; to immediately recognize all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). Based on current parameters, the Group estimates that an actuarial gain of approximately USD 0.1 million will be recognized in OCI for 2013.
- *IFRS 10 – Consolidated Financial Statements*. This standard replaces the portion of IAS 27 – Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The application of this standard will not have an impact on the financial position of the Group. This standard becomes effective for annual periods beginning on or after 1 January 2014.
- *IFRS 11 – Joint Arrangements*. This standard replaces IAS 31 – Interest in Joint Ventures and SIC-13 – Jointly–controlled Entities – Non-monetary Contributions by Venturers. It removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this standard will not have an impact on the financial position of the Group. This standard becomes effective for annual periods beginning on or after 1 January 2014.
- *IFRS 12 – Disclosures of interest in other entities*. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The application of this standard will not have an impact on the financial position of the Group. This standard becomes effective for annual periods beginning on or after 1 January 2014.
- *IFRS 13 – Fair Value Measurement*. This standard establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

There are no other IFRSs or IFRIC interpretations that are not yet effective that is expected to have a material impact on the Group.

Note 3 - Segment information

The Company and the chief operating decision maker ("CODM") measure performance based on the Company's overall return to shareholders based on consolidated net income. The CODM does not regularly review a measure of operating result at a lower level than the consolidated group. Consequently, the Company has only one reportable segment: chemical tankers.

(USD '000)

	2012	2011
Freight revenue	401 248	426 039
Voyage expenses	-206 655	-225 465
Freight income on T/C basis	**194 593**	**200 574**
Management fees and other income	1 933	5 654
Gross profit	**196 527**	**206 228**

The Company's management does not evaluate performance by geographical region. The Company does not have any counterpart that contributes to more than 10 per cent of the total operating revenues.

Note 4 - Onerous contracts

(USD '000)

	2012	2011
At 1 January	670	6 250
Provisions made during the year	-	670
Provisions used during the year	-670	-2 083
Provisions reversed during the year	-	-4 167
At 31 December	-	670

Note 5 - Voyage expenses

(USD '000)

	2012	2011
Bunker expenses	142 593	156 772
Port expenses	54 864	59 101
Other voyage expenses	9 198	9 592
Total	**206 655**	**225 465**

Port expenses include pilotage, towage, agency fee, survey, stevedoring and cleaning.

Note 6 - Management fee and other income

(USD '000)

	2012	2011
Management fee from pools	1 836	5 353
Other	97	301
Total	**1 933**	**5 654**

The Company discontinued as pool manager in the first half of 2012.

Note 7 – Ship operating expenses

(USD '000)

	2012	2011
Crew expenses	57 001	58 262
Technical expenses	30 534	31 005
Other expenses (insurance, fees, etc)	31 821	33 877
Total	**119 356**	**123 144**

Note 8 - Other specifications to the income statement

(USD '000)

Employee benefits expense

	2012	2011
Included in ship operating expenses:		
Wages and salaries, seafarers	43 679	43 703
Social security costs, seafarers	1 116	835
Total	**44 795**	**44 538**
Included in General and administrative expenses:		
Wages and salaries	12 191	13 569
Social security costs	1 175	1 298
Pension costs (Note 13)	790	523
Share incentive programme	-	446
Total	**14 156**	**15 836**

At 31 December 2012, the Company had 79 permanent employees onshore (2011: 87) and 1,250 crew members employed on its vessels or on leave (2011: 1,340).

Remuneration

	2012	2011
Chief Executive Officer		
Remuneration	598	775
Pension	18	106
Bonus	-	-
Executive Management		
Remuneration	1 188	2 018
Pension	91	164
Bonus	-	-
Total compensation paid to the CEO and Executive Management	**1 895**	**3 063**
Board of Directors	283	306
Total remuneration	**2 179**	**3 370**

The members of the Board of Directors and Executive Management have no loans or guarantees from the Company. Refer to note 2 in parent company for remuneration to Executive Management.

Compensation to the Board

The compensation to the Board is determined on a yearly basis by the Company in its Annual General Meeting. Refer to note 2 in parent company for further information.

In addition to the Board of Directors remuneration, Chairman of the board Aage Rasmus Bjelland Figenschou was engaged by the Company as a consultant and received payment of USD 25 thousand and USD 98 thousand for services provided in 2011 and 2012 respectively. Former Chairman of the Board Bjørn J. Sjaastad, was also engaged by the Company as a consultant and received payment of USD 131 thousand and USD 211 thousand in 2011 and 2012 respectively.

Benefits upon termination of employment

Executive management have termination compensation built into their contracts of employment. Compensation varies between 3 to 9 months for members of executive management. Executive management currently consist of five people.

Bonus agreement
The Company has established a discretionary bonus scheme for key employees which is based on an evaluation of the Company's and the employee's performance.

Employee share option program
Senior management participates in a share-based incentive program, where the employees are granted share options. The program does not provide the choice of cash settlement instead of shares. The fair value of the shares and options are measured at the grant date and is recognised in the income statement under General and Administrative expenses over the vesting period.

Eitzen Chemical has used the Black & Scholes option pricing model based on the exercise price. The total number of shares to be issued under the share option program is limited up to a maximum of 18,854,446 shares.

	2012		2011	
	Number of share options	Weighted average exercise price *(NOK)*	Number of share options	Weighted average exercise price *(NOK)*
At the beginning of the year	11 280 000	2.31	16 020 000	2.31
Granted during the year	-	-	-	-
Forfeited during the year	-3 240 000	2.31	-4 740 000	2.31
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**8 040 000**	**2.31**	**11 280 000**	**2.31**
Exercisable at the end of the year	**8 040 000**	**2.31**	**7 520 000**	**2.19**

Each share option gives the right to acquire one share. The strike price was NOK 1.90 per share on the date of the award, increasing by ten per cent per annum. The strike price was calculated based on the average share price of Eitzen Chemical from the summons to the Extraordinary General Meeting on 5 November 2009 and the Extraordinary General Meeting held on 26 November 2009. On 5 February 2013 the Company held an extraordinary general meeting whereby a reverse share split in the ratio 100:1 was approved. The number of number of share options currently exercisable is 80,400 and the weighted average exercise price is NOK 231. Refer to note 23 for further information.

Allotted share options can be exercised over a period of five years. One third of the allotted share options can be exercised twelve months after the date of allotment, one third can be exercised 24 months after the date of allotment and one third can be exercised 36 months after the date of allotment. Options that are vested shall be valid and can be declared for a period of 60 months from the award date.

Remuneration to the auditors (ex VAT)

	2012	2011
Statutory audit	429	435
Other assurance services	3	20
Tax assistance	98	33
Other non-assurance services	3	3
Attestation services	25	6
Total	**556**	**497**

Note 9 - Financial items
(USD '000)

Interest income

	2012	2011
Bank interest	92	309
Interest income, other	-	144
Total	**92**	**453**

Interest expenses

	2012	2011
Interest expense, debts and borrowings	-35 266	-30 059
Interest expense, finance leased vessels	-11 710	-13 624
Total	**-46 976**	**-43 683**

Other financial items

	2012	2011
Foreign exchange gain	11 171	41 211
Foreign exchange net gain, finance lease	3 626	5 943
Other financial income *	32 239	1 724
Other financial income	**47 036**	**48 878**
Foreign exchange loss	-17 312	-41 635
Changes in market value of financial instruments	-169	-285
Other financial expenses **	-7 156	-4 392
Other financial expenses	**-24 637**	**-46 312**
Total	**22 398**	**2 566**

* Other financial income in 2012 is mainly related to two of the Company's time charter contracts accounted for as finance leases which expire in the first half of 2013 and where it is assumed that the purchase options on these vessels will not be exercised. Refer to note 18 for further information.
** Other financial expenses in 2012 include debt restructuring fees of USD 5.8 million.

Foreign exchange gains and losses relates mainly to exchange rate fluctuations in Norwegian and Danish kroner, Euro and Japanese Yen. Note 22 include further details on foreign currency risk and exposure.

Items of income, expenses, gain and losses

2012	Debt and payables	Loan and receivables	Other financial assets/ liabilities	Total
Interest income	-	92	-	92
Interest expense	-46 976	-	-	-46 976
Other financial items	3 626	-6 141	24 913	22 398
Net financial income/(expenses)	**-43 350**	**-6 049**	**24 913**	**-24 486**

Items of income, expenses, gain and losses

2011	Debt and payables	Loan and receivables	Other financial assets/ liabilities	Total
Interest income	-	309	144	453
Interest expense	-43 683	-	-	-43 683
Other financial items	5 943	-424	-2 953	2 566
Net financial income/(expenses)	**-37 740**	**-115**	**-2 809**	**-40 664**

Note 10 - Income tax expense

(USD '000)

The Company's and / or its subsidiaries' activities will to a large extent be governed by the fiscal legislation of the jurisdictions where it is operating. Thus, the Company is exposed to a risk regarding the correct application of the tax regulations as well as possible future changes in the tax legislation of those relevant countries. In addition, the Company is, to a certain extent, exposed to different rules on freight duty and withholding tax.

The Company participates in the tax scheme in Singapore. All qualified shipping income derived from the shipping activity is exempt from taxation for the duration of the Approved International Shipping Enterprise (AIS) approval. The AIS approval has been granted for a period of ten years commencing November 2004. Furthermore, dividend paid from Singapore to the parent company in Norway is also exempt from tax.

Income taxes included in the income statement

	2012	2011
Tax payable	-1	-19
Changes in deferred tax	-	-2 555
Tax adjustments previous years	-	44
Income taxes	**-1**	**-2 530**

Effective tax rate

	2012	2011
Profit (loss) before taxes	-136 315	-151 499
Statutory tax rate (Norway)	28%	28 %
Estimated tax expenses at statutory tax rate	38 168	42 420
Non-deductible expenses (incl impariment of assets)	-19 775	-18 032
Share issuance cost recorded in equity	-	2 208
Income/loss not subject to tax/countries with lower tax rate	-25 017	-49 989
Tax loss carried forward and other tax credits	6 622	20 864
Income tax expense	**-1**	**-2 530**
Effective tax rate in %	0 %	2 %

	2012	2011
Deferred tax		
Loss carried forward *	351 028	46 340
Other temporary differences	4 190	950
Deferred tax assets	**355 219**	**47 290**
Deferred tax liabilities		
Non-current liabilities	-2 743	-12 143
Deferred tax liabilities	**-2 743**	**-12 143**
Net deferred tax assets/(-liabilities)	**352 476**	**35 147**
Deferred tax assets not recorded in balance sheet	-352 476	-35 147
Recorded deferred tax assets/(-liabilities) in balance sheet	**-**	**-**

* Eitzen Chemical ASA realized a loss from an internal sale of shares in subsidiaries in 2012, due to a company restructuring following the new loan agreements with the lenders of the Eitzen Chemical Group. Refer to note 6 in parent company for further information. In the tax return for 2012 Eitzen Chemical ASA intends to claim a tax loss from the transaction of USD 291.6 million. However, there is a risk whether the transaction is within the scope of the Tax Exemption Method in Norway. In this case, the transaction may not be tax deductible.

The temporary differences as of 31 December 2012 and 2011 are mainly related to companies taxable in Norway and Denmark. USD 351.0 million (2011: USD 46.3 million) of the deferred tax assets relates to tax loss carried forward in Norway and Denmark. Loss carried forward in Norway and Denmark is not subject to expiration. Tax liabilities related to limited liability companies taxed in Norway amounts to USD 1.4 million (2011: USD 10.4 million). In addition, deferred tax liabilities related to surplus values from business combinations amount to USD 1.3 million (2011: USD 1.7 million).

Note 11 - Earnings per share

Basic and diluted earnings per share are calculated by dividing net profit (loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. On 5 February 2013 the Company held an Extraordinary General Meeting whereby a reverse share split in the ratio 100:1 was approved. Refer to notes 16 and 23 for further information. Earnings per share for both 2012 and 2011 have been calculated based on the weighted average number of shares adjusted for the reverse split. The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2012	2011
Net profit (loss) attributable to equity holders (USD '000)	-136 316	-154 029
Number of shares outstanding end of period	1 127 012 323	1 127 012 000
Weighted average number of ordinary shares outstanding in the period	1 127 012 323	991 672 702
Weighted average number of ordinary shares for earnings per share calculation	11 270 123	9 916 727
Earnings per share - basic/diluted earnings per share (USD)	**-12.10**	**-15.53**

The Board of Directors has proposed that no dividend will be paid for the financial year 2012 (2011: 0). Treasury shares are not included in the weighted average number of shares.

Note 12 – Vessels

(USD '000)

31 December 2012	Vessels	Finance lease vessels	Other fixed assets	Total
At 1 January 2012, net of cost and accumulated depreciation	**759 500**	**235 637**	**419**	**995 555**
Additions (mainly upgrading and docking of vessels)	14 540	203	63	14 806
Disposals	-16 216	-	-168	-16 384
Depreciations for the year	-51 721	-12 949	-108	-64 779
Impairment	-	-70 391	-	-70 391
At 31 December 2012, net of costs and accumulated depreciation	**706 102**	**152 499**	**205**	**858 807**
At 31 December 2012				
Cost	1 067 345	347 445	1 112	1 415 902
Accumulated impairment	-159 424	-107 638	-	-267 062
Accumulated depreciation	-201 819	-87 308	-906	-290 033
Net carrying amount	**706 102**	**152 499**	**206**	**858 807**
No. of vessels	36	10		46

All owned vessels are pledged to secure various banking facilities (refer to note 18 for further information). The Company is not aware of any pledges on finance leased vessels, but such arrangements might however exist.

31 December 2011	Vessels	Finance lease vessels	Other fixed assets	Total
At 1 January 2011, net of cost and accumulated depreciation	**853 699**	**285 252**	**568**	**1 139 519**
Additions (mainly upgrading and docking of vessels)	16 033	3 794	44	19 871
Effect of update of lease schedules *	-	-11 377	-	-11 377
Disposals	-3 652	-12 546	-4	-16 202
Depreciations for the year	-56 401	-17 155	-193	-73 749
Impairment	-50 179	-12 331		-62 510
Exchange adjustment	-	-	4	4
At 31 December 2011, net of costs and accumulated depreciation	**759 500**	**235 637**	**419**	**995 556**
At 31 December 2011				
Cost	1 113 203	347 243	1 990	1 462 436
Accumulated impairment	-167 676	-37 247	-	-204 923
Accumulated depreciation	-186 027	-74 359	-1 571	-261 957
Net carrying amount	**759 500**	**235 637**	**419**	**995 556**
No. of vessels	39	10		49

* The Company recalculated the finance lease obligations and updated the estimates for vessels accounted for finance leases. This resulted in non-cash effect of USD 22.5 million as at 31 December 2011, decreasing total finance lease obligations. The Company determined that USD 11.4 million of this effect has corresponding balance sheet effect on vessels held under finance leases.

Vessels

Vessels are depreciated on a straight-line basis. The expected useful life of the vessels is estimated to 25 years. Docking and coating costs are capitalized and depreciated over the estimated period to the next docking or coating (3 and 7 years respectively). The expected residual value is USD 325 per light displacement ton (2011: USD 325). Commitments related to lease vessels are described in Note 19. Loss from sale of vessels amounts to USD 10.2 million in 2012 (2011: gain USD 3.7 million).

Impairment

The Company has performed an impairment test where the value in use is calculated using estimated cash flows that reflect the Company's expectation that the chemical tanker market is at the bottom of the downturn in the market cycle, and that the rates will gradually improve to a balanced and sustainable level in 2015.

An impairment loss of USD 70.4 million was recorded as of 31 December 2012 (2011: USD 62.5 million). The impairment is related to vessels in the Company's lease portfolio. The impairment reflects the effect of updated assumptions of vessels in the lease portfolio including the contractual expiry of two vessels in 2013. The contractual expiry of the two vessels has an effect on the estimated finance lease obligations. Refer to note 18 for further information.

Impairment indicators

The chemical tanker market continued at a weak level in 2012. In addition, based on the average quotes from two independent broker firms, the estimated market value of the vessels was below the book value of the vessels at 31 December 2012.

Recoverable amount

An impairment test has been performed based on the estimated future value in use of the fleet. The Company has defined the entire fleet as a CGU, due to the Company's operational strategy to manage the fleet as a portfolio and thereby optimizing the portfolio's cash flow and the earnings for the entire Company. Recoverable amount for vessels in the lease portfolio, where it is assumed that the purchase options will not be exercised, is determined to be the net present value of cash flows to expiry of the lease. The net present value of future cash flows was based on a pre-tax weighted average cost of capital (WACC) of 8.0 per cent in 2012 (2011: 6.8 per cent).

Key assumptions

The estimated cash flows are based on management's best estimate and reflect the Company's expectation that the market will recover to a sustainable level due to improvements in the supply and demand development. The cash flows for 2013 are based on the Company's budget. The Company expects improved market balance through ample demand growth combined with reduced fleet growth in 2014, a gradual move towards a normalized market in 2015. Further, it is the Company's expectation that the rates obtained when the market is more balanced, is fundamentally improved with rates corresponding to the market in 2006/2007. From 2016 and onwards, the model is based on a zero-growth scenario.

The cash flows are estimated over the remaining economic life of the vessels, with an estimated residual value at the end of the economic life based on USD 325 per light displacement ton. For finance leased vessels with purchase options where it is assumed that the options will be exercised and the Company expect the continuing use of the vessel, the cash flows are based on the remaining economic life of the vessels.

Compared to the impairment test performed as of year-end 2011, the underlying assumptions in the impairment test are based on a similar market scenario. The impairment recognized reflects updated assumptions on the exercise of purchase options and continuing use of the vessels in the lease portfolio.

The WACC was estimated as follows:

Borrowing rate: Debt ratio*(10 years US Government bond + loan margin)
+ Equity Return: Equity ratio*(10 years US Government bond + Beta * market premium)
= WACC

If vessels are sold or disposed in a distressed situation before the estimated improved market rates used in the impairment test has materialized, there is a risk that the company might experience further losses or impairment charges on its vessels.

Sensitivities
A negative change in the estimated TC rate (see Key assumptions above) from 2013 of USD 1,000 per day would increase the impairment with USD 66.8 million, all other factors held constant. A positive change in the estimated TC rates of USD 1,000 per day would not have an effect on the impairment as the impairment reflects the updated assumption that the Company will not exercise the purchase options on certain vessels in the lease portfolio. If the estimated cost of capital used in the vessel valuation model had been 1.0 per cent higher than the cost of capital used in the model, the impairment would have increased by USD 11.8 million. If the cost of capital had been 1.0 per cent lower, the impairment would not have been affected.

Note 13 - Pensions and other post-employment benefit plans

Pension Cost, Funding and Obligations
In Norway there is a defined benefit pension plans for the employees. The plan is funded through an insurance company. An unfunded benefit pension plan was terminated in 2012. The current benefit pension plan defines the amount of pension that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation. Some employees in Denmark are part of a contribution plan where the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay future contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods. As at 31 December 2012 the Company has recorded a net pension liability of USD 0.2 million (2011: USD 0.6 million). Refer to note 9 in the financial statements of the parent for further details.

Defined contribution plan
Expenses in 2012 related to contribution plans amount to USD 0.5 million (2011 USD 0.5 million).

Note 14 - Trade and other receivables
(USD '000)

	2012	2011
Trade receivables	35 095	43 910
Accrued income	9 743	10 289
Other receivables	6 112	8 176
Total	**50 951**	**62 375**

All receivables are non-interest bearing. The majority of the receivables are receivables from customers and generally due within 3 to 30 days after discharge. Demurrage receivables have different payment terms. Carrying amount of trade receivables as of year-end are as follows:

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		Past due, but not impaired		
	Not due	<90 d	>90 d	Total
Trade receivables, carrying amount as of 31 December 2012	16 815	11 367	6 913	35 095
Trade receivables, carrying amount as of 31 December 2011	19 563	16 075	8 273	43 910

Trade receivables are impaired individually or collectively. As at 31 December 2012 the provision for loss on debtors amounts to USD 2.9 million (2011: USD 2.8 million). Movements in the provision for impairment of trade receivables are as follows:

	2012	2011
At 1 January	2 847	2 586
Net provision recognised	1 917	2 529
Utilised	-1 851	-2 268
At 31 December	**2 913**	**2 847**

Note 15 - Cash and cash equivalents
(USD '000)

	2012	2011
Cash at bank and in hand	29 010	65 738
Cash at bank, restricted	1 807	797
Employee tax withholding accounts	109	291
Total	**30 926**	**66 826**

The fair value of cash and cash equivalents is USD 30.9 million (2011: USD 66.8 million). The Company does not have any undrawn committed borrowing facilities available as per 31 December 2012 (2011: USD 0.0 million).

The Company has through the financial restructuring completed in January 2013 secured a new working capital facility of USD 30 million. Refer to notes 18 and 23 for further information.

Note 16 - Share capital and reserves

Authorised shares	Number of shares	NOK '000	USD '000
At 31 December 2010	**754 177 831**	**754 178**	**128 279**
Reduction of share capital on 9 May 2011	-	-188 544	-32 070
Shares issued on 12 May 2011 in connection with private placement	371 937 500	278 953	51 563
Shares issued on 8 June 2011 in connection with subsequent offering	1 906 992	1 430	265
At 31 December 2011	**1 128 022 323**	**846 017**	**148 037**
Changes in shares and share capital in the period	-	-	-
At 31 December 2012	**1 128 022 323**	**846 017**	**148 037**

As of 31 December 2012 the Company has a share capital of USD 148,036,668, which consists of 1,128,022,323 each with par value of NOK 0.75.

On 5 February 2013 the Company held an extraordinary general meeting whereby a reverse share split in the ratio 100:1 was approved. The company's share capital is currently NOK 846,016,800 divided between 11,280,224 shares, each with a par value of NOK 75. Also refer to note 23.

Shareholder information
Shareholders as of 31 December 2012 are specified below:

Name:	Number of shares	Ownership
Jason Shipping ASA	383 532 236	34.0%
Skandinaviska Enskilda Banken AB	56 398 182	5.0%
Odin Maritim	17 430 831	1.5%
Apollo Asset Limited	15 945 000	1.4%
Hustadlitt A/S	14 945 000	1.3%
Sabaro Investments Ltd	14 200 000	1.3%
MP Pensjon PK	14 011 700	1.2%
Torgeir Herfindal	10 800 000	1.0%
Toluma Norden AS	10 450 500	0.9%
BNY Mellon	10 426 088	0.9%
Other	578 872 786	51.3%
Total numbers of shares excluding treasury shares	**1 127 012 323**	**99.9%**
Treasury shares at 31 December 2012	1 010 000	0.1%
Total numbers of shares including treasury shares	**1 128 022 323**	**100.0%**
Total number of shareholders	2 678	
Foreign ownership	131 448 481	11.7%

Directors and Key Management personnel interest
At 31 December 2012 the Board of Directors and Key Management Personnel held shares in Eitzen Chemical as follows:

Directors and Key Management Personnel	Position	Number of shares	Share options
Aage Rasmus Bjelland Figenschou	Chairman of the Board	-	-
Helene Jebsen Anker	Board member	336 000	-
Heidi Marie Petersen [1)]	Board member	250 000	-
Carl Erik Steen [2)]	Board member	2 104 075	-
Per Sylvester Jensen	Chief Excecutive Officer	10 000	2 400 000
Andreas Reklev	Chief Financial Officer	1 848	-
Geir Frode Abelsen	Chief Technical Officer	-	1 200 000
Aage Rasmussen	Senior Vice President	-	1 800 000
Martin D. Solberg	Senior Vice President	-	-

[1)] Shares are owned through Luuna AS, a company controlled by Heidi Marie Petersen.
[2)] 1 000 000 of the shares are owned through Capreca AS, a company controlled by Carl Erik Steen.

Note 17 - Trade and other payables (current)
(USD '000)

	2012	2011
Trade payables	16 237	19 171
Accrued expenses	35 609	32 993
Deferred income	5 457	8 255
Other payables	1 265	10 367
Total	**58 568**	**70 786**

Note 18 - Interest-bearing loans and borrowings
(USD '000)

	2012			2011		
	Current *	Non-current	Total	Current	Non-current	Total
NOK 490 million and USD 25 million bond loan	112 718	1 611	114 330	-	105 888	105 888
USD 510 million credit facility	266 802	2 380	269 182	3 227	263 852	267 079
USD 265 million credit facility	189 956	1 640	191 596	2 142	187 889	190 031
USD 170 million credit facility	160 333	1 278	161 611	3 929	155 895	159 824
Other loan agreements	39 984	6 354	46 338	2 371	48 142	50 513
Total interest-bearing loans	**769 793**	**13 263**	**783 055**	**11 669**	**761 666**	**773 335**
Leasing debt **	12 380	140 149	152 529	13 406	186 587	199 993
Total	**782 173**	**153 412**	**935 585**	**25 075**	**948 253**	**973 328**

* USD 769.8 million of the Company's bank and bond debt has been classified as short term debt at year-end 2012 as the new loan agreements with its syndicate banks and the trustee of the bond loan was finalized on 4 January 2013. However, both the bank and bond debt have been restructured and is not payable short term at the date of approval of these financial statements. Refer to the *Financial restructuring of bank loan agreements in 2012* section below for further information on the restructuring of the debt. Accrued interest expenses under the new loan agreements are classified as non-current.

** Two of the Company's time charter contracts accounted for as finance leases will expire in the first half of 2013. It is assumed that the purchase options on these vessels will not be exercised and the estimated lease obligations have been updated. Consequently, a non-cash reduction in finance lease obligations of USD 30.4 million is reported as finance income in 2012.

Included in the facilities above are deferred charges of borrowing costs of USD 1.5 million (2011: USD 4.2 million).

The following table provides an overview of the contractual undiscounted cash flows for the Company's interest-bearing loans, assuming that the margins are capitalized and payable on the maturity date. For the determination of interest payments, the Company have used LIBOR as at the reporting date. Refer to note 22 for further details on the Company's liquidity risk.

(USD '000)

	2013	2014	2015	2016	2017 -	Contractual cash flows	Carrying amount
NOK 490 million and USD 25 million bond loan	53	54	55	139 916	-	140 077	114 330
USD 510 million credit facility	964	1 194	22 415	300 690	-	325 263	269 182
USD 265 million credit facility	1 139	871	15 089	216 848	-	233 946	191 596
USD 170 million credit facility	953	756	15 984	184 128	-	201 820	161 611
Other loan agreements	397	6 203	8 173	41 321	-	56 095	46 338
Total payments on interest-bearing loans	**3 506**	**9 077**	**61 715**	**882 903**	**-**	**957 201**	**783 055**

The following table provides an overview of the expected undiscounted cash flows for the finance lease vessels, including service cost element and option payments on vessels where it is assumed that the options will be exercised.

(USD '000)

	2013	2014	2015	2016	2017 -	Expected cash flows	Carrying amount
Total payments on finance lease obligations	33 007	59 646	20 171	32 938	66 198	211 959	152 529

The following table provides an overview of currencies in which the carrying amounts of interest-bearing liabilities are denominated.

(USD '000)

	2012	2011
US Dollars	806 954	850 853
Japanese Yen	39 555	41 434
Norwegian Kroner	89 075	81 041
Total	**935 585**	**973 328**

Bank syndicate loan agreements
Eitzen Chemical (Singapore) Pte Ltd. has three syndicate facility agreements, USD 510 million, USD 265 million and USD 170 million, with Nordea Bank Finland Plc., Singapore Branch as agent and certain banks as lenders. Final maturity was in July 2014. Eitzen Chemical ASA was the guarantor of the loan. The facilities were secured by a first priority charge inter alia in vessels and proceeds from the vessels. All syndicate bank loans agreements were in USD at LIBOR plus a fixed margin of 2.75 per cent per annum.

Bilateral loan agreements
Two companies in the Eitzen Chemical Group had entered into USD 15 million and USD 4.7 million loan agreements, respectively, with Nordea Bank Finland Plc, Singapore Branch and one company had a USD 36 million loan agreement with DVB Bank SE. The loans were secured by inter alia a mortgage over the relevant vessels and a guarantee from the Eitzen Chemical ASA. All bilateral loan agreements were in USD at LIBOR plus a fixed margin of 2.75 per cent.

Bond loan agreement
Eitzen Chemical ASA had unsecured bond loans outstanding totalling NOK 490 million and USD 25 million at 31 December 2012. Under the previous loan agreements, the bonds carried interest of NIBOR + 3.5 per cent and LIBOR + 3.5 per cent, respectively. The bond loans had a loan to value covenant effective from 6 November 2012.

Until the completion of the financial restructuring in January 2013, Eitzen Chemical's syndicate and bilateral bank loans included financial covenants on minimum cash and minimum value clauses.

The Company was granted waivers on all existing financial covenants relating to its bond and bank loan agreements at 31 December 2012.

Financial restructuring of bank loan agreements in 2012
On 22 November 2012, Eitzen Chemical announced that the consensual financial restructuring of the Company's bank and bond debt was approved by all of the banks in the Company's loan syndicates. The restructuring is based on a slowly improving market and will secure headroom and stable operations in the years to come. With reference to note 23, the new loan agreements were formally signed on 4 January 2013. The key terms in the restructuring agreement include:

New working capital facility
- The Company has secured a new working capital facility of USD 30 million. The facility is split into (i) a term loan facility of USD 10 million and (ii) a revolving credit facility of USD 20 million.
- The new facilities are secured by a first ranking lien in certain of the Company's vessels.
- Maturity of term loan facility is in May 2016 and the revolving credit facility will mature in April 2016, with five quarterly equal reductions to commence from April 2015.
- Payment of interest is under a "pay-as-you-can" structure where the margin of 8.95 per cent p.a. is only payable to the extent it can be paid with excess cash until maturity and LIBOR shall be paid in cash. If not paid in cash the margin will be capitalized and be payable on the maturity date together with an additional margin of 2.05 per cent p.a.
- The new facilities have similar covenants as the senior bank loans.

Restructuring of the bond loan:
- The bond loan comprising a NOK tranche of NOK 490 million (ISIN NO 001033434.5) and a USD tranche of USD 25 million (ISIN NO 001033433.7) was in January 2013 exchanged into (i) a secured loan of approximately USD 50 million and (ii) an unsecured loan of approximately USD 60 million. The secured loan has a third ranking lien security in the Company's vessels (owned through subsidiaries). Eitzen Chemical ASA is the borrower for both loans. The loans have NOK and USD tranches as in the previous bond loan agreement.
- The secured loan will mature in June 2016 with no instalments until maturity. The loan will receive payment-in-kind interest of NIBOR/LIBOR plus 11 per cent p.a. due at maturity.
- The restructured interest terms of the Company's loans were effective from October 2012.
- The unsecured loan will mature in September 2016 with no instalments or interest payments until maturity. If the Company raises new equity (in the form of cash) of at least USD 50 million, the unsecured loan can be called and redeemed in full in exchange for an amount equal to USD 10 million of new equity in the Company.
- The loans do not include any financial covenants.
- The bond restructuring fee agreed in 2009 due in November 2012 were postponed to maturity of the secured loan.

Restructuring of the senior bank loans:
- The senior bank loans consists of the USD 510 million, USD 265 million and USD 170 million bank syndicate loan agreements and the USD 36 million, USD 15 million and USD 4.7 million bilateral loan agreements.
- USD 30 million of the existing senior bank loans with a principal amount of approximately USD 661 million was converted into a third lien loan of USD 30 million. The third lien loan has third lien security in the Company's vessels (owned through subsidiaries).
- Maturities are extended to May 2016 for the existing bank loans and June 2016 for the new third lien loan.
- The grace period with no fixed debt instalments was extended from November 2012 until April 2015. Furthermore, the Company has the option to defer three quarterly instalments until maturity in 2016 (with a maximum of two deferrals in one year).
- Payment of interest is under a "pay-as-you-can" structure where the margin of 2.75 per cent p.a. is only payable to the extent it can be paid with excess cash in the period until 1 January 2015 and LIBOR shall be paid in cash. If not paid in cash the margin is capitalized and payable on the maturity date together with an additional margin of 3.05 per cent p.a. From 1 January 2015, the interest payments will be reset to the pre-restructuring level of LIBOR plus 2.75 per cent p.a.
- The restructured interest terms of the Company's loans were effective from October 2012.
- A new mechanism for sweep of excess cash and potential variable debt amortisation depending on the Company's financial performance was introduced.
- Existing financial covenants was suspended until maturity. The Company has a minimum liquidity covenant of USD 30 million.
- The bank restructuring fee agreed in 2009 due in November 2012 was postponed to final maturity. The Company agreed to a new restructuring fee of USD 10 million. Approximately USD 4.5 million was paid in January 2013, when the new term loan facility became available, while approximately USD 5.5 million is due on final maturity.

Third lien bank loan:
- USD 30 million of the existing senior bank loans was in January 2013 converted into a new facility in the principal amount of USD 30 million with Eitzen Chemical ASA as borrower and third lien security in the Company's vessels (owned through subsidiaries).
- The loan will mature in June 2016 with no instalments until maturity.
- Payment of interest is under a "pay-as-you-can" structure where the margin of 8.95 per cent p.a. is only payable to the extent it can be paid with excess cash until maturity and LIBOR shall be paid in cash. If not paid in cash the margin will be capitalized and be payable on the maturity date together with an additional margin of 2.05 per cent p.a.
- The loan does not include any financial covenants and ranks pari passu with the secured bond loan described above.

Note 19 - Commitments

Lease commitments
The Company had 14 vessels on lease as per 31 December 2012 (2011: 14), of which 10 (2011: 10) vessels are recorded as finance leases (on balance sheet), and 4 vessels (2011: 4) are recorded as operating leases (off balance sheet).

The vessels are either on Bareboat (BB) or Time Charter (T/C). The Company is responsible for the technical management of the BB vessels, while the leasing counterparts are responsible for the technical management of the TC vessels.

The charters have a firm charter period, and the Company has an option to extend the charter for multiple years (except Sichem Aneline, Sichem Mississippi and Sichem Pace). The minimum leasing period and the maximum leasing period are shown in the table below.

Eitzen Chemical has options to purchase all leased vessels except Sichem Pace. The first possible purchase date is included in the table below. Under the current loan agreements, the Company needs to obtain consent from a certain majority of the lenders under each of the loans for new investments, including declaring purchase options.

Vessel	DWT	Contract	Lease	Min period end *	Max period end	Latest excercise	Purchase Price **
Sichem Aneline	8 940	BB	Financial	Q3'18	Q3'18	Q3'18	JPY 348M
Sichem Mumbai	13 058	BB	Financial	Q4'16	Q4'18	Q4'18	USD 8.5M
Sichem Amethyst	8 750	T/C	Financial	Q4'13	Q4'16	Q4'16	JPY 840M
Sichem Ruby	8 750	T/C	Financial	Q3'13	Q3'16	Q3'16	JPY 840M
Sichem Contester	19 821	T/C	Financial	Q4'14	Q4'19	Q4'19	JPY 1,510M
North Contender	19 925	T/C	Financial	Q4'10	Q4'15	Q1'14	USD 18.8M
North Fighter	19 932	T/C	Financial	Q1'11	Q1'16	Q2'14	USD 18.8M
Sichem Defender	19 999	T/C	Financial	Q1'14	Q1'19	Q1'19	JPY 1,485M
Siteam Neptun	48 309	T/C	Financial	Q2'10	Q2'13	Q2'13	USD 15.8M
Siteam Jupiter	48 309	T/C	Financial	Q2'10	Q2'13	Q2'13	USD 15.8M
Sichem Mississippi	12 272	BB	Operational	Q4'28	Q4'28	Q4'28	JPY 1,060M
Sichem Pace	19 998	BB	Operational	Q3'14	Q3'14	No option	No option
Sichem Onomichi	13 104	T/C	Operational	Q1'15	Q1'18	Q1'18	USD 16.6M
Sichem Hiroshima	13 119	T/C	Operational	Q2'15	Q2'18	Q2'18	USD 16.6M

* Maturity date of the firm charter period. Most of the leased vessels have options to extend the charter and option to purchase the vessel on or before the end of the firm charter period.
** The purchase price indicates the option price at the latest possible exercise date

Finance lease commitments
The total balance sheet commitments as per 31 December 2012 were USD 152.5 million (2011: USD 200.0 million).

The table on the next page shows future minimum lease payments, given the expected lease term, for the finance lease vessels and the present value of the net minimum lease payments for different time horizons.

(USD '000)

	2012		2011	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	21 009	20 502	25 125	24 258
After one year, but not more than five years	108 543	91 537	150 886	129 397
More than five years	52 713	40 490	65 558	46 338
Total minimum lease payments	182 265	152 529	241 569	199 993
Less amounts representing finance charges	-29 735	-	-41 576	-
Present value of minimum lease payments	152 529	152 529	199 993	199 993

Included in the debt is an unrealised currency loss of USD 9.2 million (2011: Loss of USD 12.9 million) related to purchase options nominated in Japanese Yen. The USD/JPY rate was 86.10 per 31 December 2012 (2011: 77.44).

Payment if option on finance leased vessels is exercised
If the Company has an option to purchase a vessel at a price, which at the inception of the lease is expected to be significant lower than the fair value at the date the option becomes exercisable, the lease payments comprise the payment required to exercise the option. Hence, the lease liabilities recorded in the balance sheet consist of one part which is deemed hire payments and one part which is the payment required if the option to purchase the vessel should be exercised. The split between hire payments and payments required if the option should be exercised is included in the table below.

(USD million)

	2013	2014	2015	2016	2017 -	Total
Maturity of booked finance lease	20 502	46 476	11 212	25 713	48 626	152 529
Whereof payments if option is excercised	-	-33 775	-	-16 780	-34 195	-84 751
Hire obligation under finance leases	20 502	12 701	11 212	8 933	14 431	67 779

Operating expense commitments on time charter vessels under finance lease:

(USD '000)

	2012	2011
Falling due within one year	11 981	15 482
Falling due between one and five years	21 996	30 557
Falling due after five years	4 902	7 525
Total	**38 880**	**53 564**

Operating lease commitments
On the next page is an overview of the operating lease commitments. The table is divided into charter hire for operating leased vessels on time charter and bare-boat charter. Other leases are rent, cars and office equipment.

(USD '000)

	2012	2011
Falling due within one year	7 201	7 201
Falling due between one and five years	9 036	16 277
Falling due after five years	-	-
Charter hire for vessels on time charter (operating lease)	**16 238**	**23 479**
Falling due within one year	8 826	8 826
Falling due between one and five years	17 529	22 774
Falling due after five years	30 287	33 892
Charter hire for vessels on bare-boat charter (operating lease)	**56 641**	**65 491**
Falling due within one year	890	1 064
Falling due between one and five years	526	1 037
Falling due after five years	-	-
Other leases (operating lease) *	**1 416**	**2 101**
Total contractual liabilities (operating lease)	**74 295**	**91 071**

* Other operating leases include premises, cars and office equipment

Note 20 - Financial instruments

Carrying amount and fair value of financial items by class of financial assets and liabilities
The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, trade payables and other current liabilities
Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term fixed-rate and variable-rate receivables and/or borrowings
Long-term fixed-rate and variable-rate receivables and/or borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2012, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

Bond loans
The bond loans are unsecured financial instruments. Fair value of the NOK and USD bond loans listed at Oslo Stock Exchange is based on the market quotations for these loans. The fair value is based on the latest exchange trade. The bonds are not listed after the exchange of bonds on 17 January 2013. Refer to note to 23 for further information.

Available-for-sale financial assets
Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques.

Derivative financial instruments
The Company may enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly commodity forward contracts.

Unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases
The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms. The obligations under finance leases were updated at 31 December 2012 to reflect best timing estimate of declaring purchase options. Fair value of the obligations under finance leases are therefore not considered to be materially different from book value as of the reporting date.

The table below provides an overview of the carrying and fair value of the Company's financial instruments and the accounting treatment of these instruments.

(USD '000)

	2012		2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and receivables				
Other receivables	2 000	2 000	2 000	2 000
Trade and receivables	50 951	50 951	62 375	62 375
Cash and cash equivalents	30 926	30 926	66 826	66 826
Total loans and receivables	**83 877**	**83 877**	**131 201**	**131 201**
Financial assets at fair value through profit or loss				
Shares held for trading	230	230	226	226
Derivates not designated as hedge accounting				
Bunker hedge	-	-	169	169
Total financial assets at fair value through profit or loss	**230**	**230**	**395**	**395**
Total financial assets	**84 107**	**84 107**	**131 596**	**131 596**
Financial liabilities measured at amortised cost				
Trade and other payables	58 568	58 568	70 786	70 786
Bond loan	114 330	38 332	105 888	44 465
Credit facilities	668 726	*	667 447	667 447
Financial lease liabilities	152 529	152 529	199 993	199 993
Other current liabilities	6	6	35	35
Total financial liabilities measured at amortised cost	**994 159**	*****	**1 044 149**	**982 727**
Total financial liabilities	**994 159**	*****	**1 044 149**	**982 727**

* If any of the mortgage banks were to sell its debt, it is not unreasonable to believe that the fair value of the loans would be below the carrying amount in the current market. Our bank loans are sophisticated secured products not traded in an active market and the determination of fair value is associated with a significant level of uncertainty. As such, we have not been able to quantify the fair value of the bank loans.

Note 21 - Related party disclosures

The consolidated financial statements include the financial statements of Eitzen Chemical ASA and the subsidiaries listed in the following table.

Name	Country of incorporation	% equity interest 2012	% equity interest 2011	% voting rights 2012	% voting rights 2011
Eitzen Chemical Shipholding AS	**Norway**	100 %	**100 %**	100 %	**100 %**
- Eitzen Chemical (Singapore) Pte.Ltd.	Singapore	100 %	100 %	100 %	100 %
- Eitzen Chemical Shipping & Trading (Singapore) Pte.Ltd.	Singapore	100 %	100 %	100 %	100 %
- Sichem Pearl Shipping Co. Pte.Ltd.	Singapore	100 %	100 %	100 %	100 %
- Eitzen Chemical Invest (Singapore) Pte.Ltd.	Singapore	100 %	100 %	100 %	100 %
- Napoli Chemical KS	Norway	100 %	100 %	100 %	100 %
- Napoli Chemical AS	Norway	100 %	100 %	100 %	100 %
- Team Tankers AS	Norway	100 %	100 %	100 %	100 %
- Team Tankers (USA) L.L.C	USA	100 %	100 %	100 %	100 %
- Eitzen Chemical (France) S.A.S. (closed 30.06.2011)	France		100 %		100 %
- Eitzen Chemical (USA) L.L.C.	USA	100 %	100 %	100 %	100 %
- Eitzen Chemical (Denmark) A/S	Denmark	100 %	100 %	100 %	100 %
- Eitzen Chemical Shipping (Singapore) Pte.Ltd.	Singapore	100 %	100 %	100 %	100 %
- Eitzen Chemical A/S	Denmark	100 %	100 %	100 %	100 %
- Eitzen Chemical (Spain) S.A.	Spain	100 %	100 %	100 %	100 %
- Team Shipping AS	Norway	100 %	100 %	100 %	100 %

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year.

(USD '000)

Related party	Type of transaction	Sale to / purchase from 2012	Sale to / purchase from 2011	Amounts owed by/-to related 2012	Amounts owed by/-to related 2011
Entities with significant influence over the Company:					
Jason Shipping ASA [1)]	Corporate administration and office rent	-	-251	-	45
Companies which are a part of the JSHIP Group or controlled by a related party:					
EMS Seven Seas Group [2)]	IT services and corporate administration	-	-621	-	-
Camillo Eitzen (Danmark) A/S	Corporate administration and office rent	-18	-70	1	-
Camillo Real A/S	Rent	-387	-415	61	58
Camillo Eitzen (Singapore) Pte Ltd	Corporate administration	-10	-206	-	-10
Sigas (Singapore) Pte Ltd	Corporate administration	-	8	-	-
Aage Figenschou AS [3)]	Consultancy services	-98	-25	-	-
Bsc - Bjørn Sjaastad Consulting [4)]	Consultancy services	-211	-131	-	-11

1) Jason Shipping ASA holds 34.0 per cent of the shares in the Company.
2) The company was controlled by Jason Shipping ASA until 21 December 2011. Transaction balances include all transactions up to that date.
3) The company is controlled by Chairman of the Board Aage Rasmus Bjelland Figenschou
4) The company is controlled by former Chairman of the Board Bjørn J. Sjaastad

Terms and conditions of transactions with related parties
Sales to and purchases from related parties are made at normal market prices. There have been no guarantees provided or received for any related party receivables or payables. The Company has not made any provision for doubtful debts relating to amounts owed by related parties.

Significant influence and dual roles:

- Aage R B Figenschou was on the Board of Directors in both Jason Shipping ASA and Eitzen Chemical ASA in 2011 and 2012. On 1 February 2012, Mr. Figenschou withdrew as member of the Board of Jason Shipping ASA and took up the position as the Chief Executive Officer.

For remuneration to CEO and Key Management personnel, refer to Group Note 8 and Parent Note 2.

Note 22 - Financial risk management, objectives and policies

Risk management overview
Generally the market conditions for shipping activities are volatile and, as a consequence, the result may vary considerably from year to year. Market risks are related to freight rates, bunker prices and vessel prices, which the Company has no or limited possibilities to influence or hedge. In addition the Company is exposed to a number of different financial risks such as liquidity-, interest rate-, and currency risks arising from our normal business activities. Such risks are monitored on a regular basis, and the Company might use financial derivatives to limit the exposure.

Market risks
Freight rate risks
Fluctuations in freight rates are the key factor influencing Eitzen Chemical's cash flow and results. To limit the exposure, the future open ship days are hedged by entering into fixed long-term Contracts of Affreightment (CoA) and time charters. The time charters generate secure cash flow for the period it is effective, while the CoAs have fluctuating cargo nominations, depending on each customer's requirement.

Bunker price risks
The exposure to fluctuations in bunker prices depends on the type of contract. Exposure in a spot trade is taken into consideration when the spot charter rate is determined. The Company seeks to reduce the exposure to fluctuating bunker fuel prices through compensation clauses in contracts with clients. On contracts (CoAs) where this is not possible the Company use commodity based derivative to reduce the bunker exposure.

Vessel price risks
The risk of changes in the value of the Company's owned and leased vessels are one of Eitzen Chemical's most material risks. At the end of 2012, the Company had 36 owned vessels and 13 leasing vessels with purchase option (including financial- and operational leases). The change in asset values will affect Eitzen Chemical's Net Asset Value (NAV), while a change in the value of financial leased vessels will only affect the Company's theoretical NAV.

Financial risks
Liquidity risk
The Company finalized the financial restructuring of the Company's bank and bond debt in January 2013. Until January 2015, the Company's cash commitments on interest payments are limited to LIBOR on the restructured bank debt. All other interest commitments may accrue on the balance of the bank and bond facilities. Thereafter the Company is obliged to pay LIBOR plus a margin of 2.75 per cent on the majority of the loans.

Fixed debt instalments will commence in April 2015 with flexible repayment terms from then to maturity in May 2016. In 2015 minimum USD 14.4 million in instalments are due in in the fourth quarter. Thereafter, all loans mature in 2016. There is significant long term risk associated with the current leverage of the Company and the liquidity risk inherent in the Company's financial liabilities is considerable.

Eitzen Chemical remains confident that the chemical tanker market eventually will benefit from improved market fundamentals and fully recover. However, the Company is dependent on a substantial increase in freight rates compared to today's market to meet its financial liabilities.

The Company also has a cash covenant which requires that Eitzen Chemical (on a consolidated basis) shall maintain cash and cash equivalents plus any undrawn credit under the 1. Lien Revolving Loan Facility for an amount equal to or greater than USD 30 million in 2013 and until maturity. As of 31 December 2012, the Company's cash position was USD 30.9 million and the 1. Lien Revolving Loan Facility was undrawn.

Interest rate risk
The Company's exposure to interest rate risk is related to interest-bearing assets and non-current debt liabilities. Eitzen Chemical's management periodically review and assesses the interest rate risk, and consider hedging of such risk based on various short and long term effects on liquidity and results. A part of the

Company's financial strategy is to utilise finance leases, which also limit the interest rate exposures since the leases are at a fixed level throughout the leasing period. As of 31 December 2012, 16 per cent of the debt carried fixed rates (2011: 20 per cent), relating to obligations under financial leases.

The following table shows estimated changes in profit before tax for the Company from reasonable possible changes in interest rates in 2012, with all other variables held constant.

(USD '000)

	Change in Interest rate	2012	2011
USD LIBOR	+ 1.50%	10 472	10 463
	+ 0.75%	5 236	5 232
	- 0.75%	-5 236	-5 232
	- 1.50%	-10 472	-10 463
NIBOR	+ 1.50%	1 274	1 312
	+ 0.75%	637	656
	- 0.75%	-637	-656
	- 1.50%	-1 274	-1 312

Currency risk
The Company's functional currency is USD as the majority of the transactions are in USD. Currency risks therefore arise in connection with transactions in other currencies than USD, including administrative expenses, declaration of vessel purchase options denominated in Japanese Yen, and debt financing in other currencies than USD. A significant share of the Company's general and administrative expenses is in other currencies than USD, mainly Singapore Dollar, Danish and Norwegian kroner. Eitzen Chemical may use financial derivatives to reduce the net operational currency exposure.

Eitzen Chemical has issued bonds denominated in NOK. As a result there is a currency exposure related to the bond loan accrued interest and principal which is due in 2016.

As of 31 December 2012, the Company held 84 per cent (2011: 73 per cent) of total cash in USD, 2 per cent (2011: 16 per cent) in Norwegian Kroner, and 14 per cent (2011: 11 per cent) in other currencies.

The following table shows estimated changes in profit before tax for the Company from reasonable possible changes in the US dollar exchange rate within the previous year, with all other variables held constant. Reasonable changes are defined as the standard deviation the five last years before reporting date.

(USD '000)

	Change in currency rate	2012	2011
USDNOK	+ 0.50	7 891	6 179
	- 0.50	-9 388	-7 247
USDDKK	+ 0.40	595	838
	- 0.40	-675	-966
USDJPY	+ 10.0	4 062	4 739
	- 10.0	-5 121	-6 144
USDEUR	+ 0.05	128	158
	- 0.05	-145	-176

Credit risk
The Company's main credit risks are related to payment of freight income. The Company aims at trading with creditworthy counterparties. The credit risk involved in relation to allowing our customer to issue prepaid bills of lading on vegetable oil freights is mitigated by keeping the bill of lading in our control until payments are received. Sometimes it can be possible to take arrest in the cargo after it has been discharged. However, a default of a charterer will always impose potential loss for the Company. The maximum exposure to credit risk is the Trade receivable balance of USD 35.1 million (2011: USD 43.9) and the USD 2.0 million seller's credit balance under Other non-current assets (2011: USD 2.0 million).

Derivative instruments are only entered into with highly rated financial institutions, which mean that the credit exposures for these transactions are expected to be at an acceptable level.

Capital management
The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders. Eitzen Chemical manages its capital structure and makes adjustments to it, in light of changes in economic conditions. As of 31 December 2012, the Company's equity ratio was 3 per cent negative (2011: 9 per cent positive). There is high risk associated with the current leverage of the Company if the current weak chemical tanker market continues. Eitzen Chemical will continue its focus on strengthening the Company's capital situation and evaluate potential partners who are willing to invest long term in the Company.

Note 23 – Subsequent events

On 4 January 2013 the Company finalized the new loan agreements with its syndicate banks and the trustee of the bond loan.

On 17 January 2013 the exchange of bonds was implemented in accordance with the restructuring proposal adopted at the bondholders' meeting held 7 December 2012.

On 5 February 2013 the Company held an extraordinary general meeting whereby a reverse share split in the ratio 100:1 was approved. The company's share capital is currently NOK 846,016,800 divided by 11,280,224 shares, each with a nominal value of NOK 75.

Income Statement – Parent Company

(NOK '000, except per share data)

	Note	2012	2011
Management fees and other income		23 194	25 942
Salaries	2	-17 656	-19 904
General and administrative expenses	2	-17 265	-13 715
EBITDA (Earnings before interest, taxes, depreciation and amortisation)		**-11 727**	**-7 677**
Depreciation	3	-26	-142
EBIT (Earnings before interest and taxes)		**-11 753**	**-7 819**
Impairment financial assets	6, 7	-10 468	-1 051 758
Loss on disposal of financial assets	6	-760 436	-
Interest income	4	39 977	30 564
Interest expenses	4	-36 984	-37 647
Other financial items	4	-44 376	36 854
Profit (loss) before taxes		**-824 039**	**-1 029 807**
Income tax expenses	5	-	-
Net profit (loss)		**-824 039**	**-1 029 807**
Attributed to retained losses		-824 039	-1 029 807
Earnings per share – basic/diluted earnings per share	11	NOK -73.12	NOK -103.85

See accompanying notes that are an integral part of these financial statements.

Statement of Financial Position – Parent Company

(NOK '000)

	Note	31.12.2012	31.12.2011
ASSETS			
Property, plant and equipment	3	163	857
Total tangible non-current assets		**163**	**857**
Investments in subsidiaries	6	-	760 436
Receivables, Group companies	7	456 563	309 690
Related party receivables		-	404
Total financial non-current assets		**456 563**	**1 070 530**
Total non-current assets		**456 726**	**1 071 387**
Other receivables		6 363	2 306
Cash and short-term deposits		18 095	216 007
Total current assets		**24 459**	**218 313**
TOTAL ASSETS		**481 185**	**1 289 701**
EQUITY AND LIABILITIES			
Share capital		846 017	846 017
Share premium		-	-
Treasury shares		-758	-758
Other paid in capital		-	-
Total paid in capital		**845 259**	**845 259**
Retained losses		-1 061 240	-237 200
Total equity	11	**-215 981**	**608 059**
Non-current portion of bond loan	9	8 969	639 350
Loans, Group companies	7	17 620	22 325
Pension liability	8	1 125	3 370
Total non-current liabilities		**27 713**	**665 045**
Current portion of bond loan	9	627 406	-
Related party payables		-	244
Trade and other payables		42 047	16 353
Total current liabilities		**669 453**	**16 597**
Total liabilities		**697 166**	**681 642**
TOTAL EQUITY AND LIABILITIES		**481 185**	**1 289 701**

See accompanying notes that are an integral part of these financial statements.

Cash Flow Statement – Parent Company

(NOK '000)

	Note	2012	2011
Profit/loss (-) before taxes		-824 039	-1 029 807
Amortisation of share-based payments		-	2 498
Impairment of financial assets	6, 7	10 468	1 051 758
Loss on disposal of financial assets	6	760 436	-
Depreciation	3	26	142
Interest expenses	4	36 984	37 647
Interest income	4	-39 977	-30 564
Foreign currency (gain) loss		20 832	-37 884
Other adjustments		20 657	3 048
Change in pension liability		-2 245	-1 098
Change in current assets		-3 653	-1 147
Change in current liabilities		25 450	881
Net cash flows from operating activities		**4 937**	**-4 525**
Net cash flows from intercompany debt and receivables		-180 660	-389 205
Proceeds from sale of companies	6	-	-
Interest received		39 977	30 148
Net cash flows from investing activities		**-140 683**	**-359 057**
Net proceeds from issuance of shares	11	-	286 697
Payment of other financial costs		-21 441	-
Interest paid		-37 255	-28 407
Net cash flows from financing activities		**-58 695**	**258 290**
Net change in cash and cash equivalents		**-194 441**	**-105 292**
Effect of exchange rate changes on cash		-3 471	16 864
Cash and cash equivalents at 1 January		216 007	304 436
Cash and cash equivalents at 31 December		**18 095**	**216 007**
Of which:			
Restricted bank deposits including employee tax withholding accounts		5 378	3 149

See accompanying notes that are an integral part of these financial statements.

Notes to the Financial Statements – Parent Company

Note 1 - Summary of significant accounting policies

General
The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP). The Financial Statements for the Parent Company is reported in NOK.

Revenue recognition
Management fee and other income are recognised at the time of delivery of the services.

Use of estimates
Management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway. The preparation of the financial statements is based on available information at the time of finalising the financial information. Actual outcome may differ. The effects of changes in accounting estimates are accounted for in the same period at the estimates are changed.

Foreign currencies
Amounts in currencies other than NOK are translated into NOK at the exchange rate at the date of the transaction. Realised and unrealized currency gains and losses are recognised in the profit and loss account as financial income and expenses. Short-term accounts receivable and payable in other currencies than NOK are stated at the rate of exchange at the balance sheet date or at the hedged rate.

Income tax
The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been off set. The disclosure of deferred tax benefits on net tax reducing differences which have not been offset, and carry forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net. Deferred tax is reflected at nominal value.

Balance sheet classification
Current assets and short term liabilities consist of receivables and payables due within one year. Other balance sheet items are classified as non-current assets / liabilities. Current assets are valued at the lower of cost and fair value. Current term liabilities are recognized at nominal value. Non-current assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognized at nominal value.

Property, plant and equipment
Property, plant and equipment are capitalised and depreciated over the estimated useful economic life. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Depreciation is recognised on a straight-ling basis provided over the expected useful lives of the individual assets less estimated scrape value on the date of purchase, using the following useful lives:

Operating equipment	3–10 years
Computer hardware and software	3–5 years

Investments in subsidiaries
Subsidiaries and investments in associates are valued at cost in the Company accounts. The investments are valued at cost less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if there is an indication that the economic circumstances under which the impairment loss were provided for have changed. Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Pension Cost, Funding and Obligations
The company has set up a defined benefit scheme with a life insurance company to provide pension benefits for its employees. The scheme provides entitlement to benefits based on future service from the commencement date of the scheme. These benefits are principally dependent on an employee's pension qualifying period, salary at retirement age and the size of benefits from the National Insurance Scheme. Full retirement pension will amount to approximately 66 per cent of the scheme pension-qualifying income (limited to 12G). The scheme also includes entitlement to disability, spouses and children's pensions. The retirement age under the scheme is 67 years.

The company may at any time make alterations to the terms and conditions of the pension scheme and undertake that they will inform the employees of any such changes. The benefits accruing under the scheme are funded obligations. The company also has pension obligations for employees with salaries exceeding 12G. These are non-funded obligations. Changes in the pension obligations as a result of changed actuarial assumptions and variations between actual and anticipated return on pension funds will be entered on the average remaining earnings period according to the "corridor" regulations.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

The cash flow statement is prepared using the indirect method.

Treasury shares
Treasury shares are recognised as a separate component of equity at cost. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of own equity instruments. Any differences between the carrying amount and the consideration are recognised in other equity.

Share-based payment
Senior management participates in a share-based incentive program, where the employees are granted share options. The program does not provide the choice of cash settlement instead of shares. The fair value of the shares and options are measured at the grant date and is recognised in the income statement under General and Administrative expenses over the vesting period. The fair value of the award program is calculated based on the Black-Scholes model.

Related parties
All transactions between related parties are based on the arm's length principle, which means that they are recorded at (estimated) market value.

Note 2 - Salaries and remuneration

(NOK '000)

	2012	2011
Wage and salaries	14 218	17 962
Social security contributions	2 876	1 682
Other	562	259
Total salaries	**17 656**	**19 904**

The average number of employees in 2012 was 7 (2011: 8).

	Remuneration	Pension	Bonus	Total
Executive Management				
Andreas Reklev, CFO	1 693	66	-	1 759
Geir Frode Abelsen, CTO	1 853	159	-	2 011
Martin D. Solberg, SVP	1 301	107	-	1 408
Board members				
Aage Rasmus Bjelland Figenschou [1)]	301	-	-	301
Carl Erik Steen	252	-	-	252
Helene Jebsen Anker	252	-	-	252
Helene Marie Petersen	252	-	-	252
Bjørn Johan Sjaastad [1 & 2)]	236	-	-	236
Total remunerations	**6 141**	**332**	**-**	**6 473**

1) In addition to ordinary board fee, Aage R. B. Figenschou and Bjørn J. Sjaastad received fees for consultancy services.
2) Bjørn J. Sjaastad withdrew from the Board of Directors on 5 September 2012.

The Company purchases CEO services from its subsidiary Eitzen Chemical (USA) L.L.C. Refer to note 12 for further information.

Currently the Chairman of the Board receives an annual remuneration of NOK 450,000 and the other board members will receive an annual remuneration of NOK 300,000. The Chairman of the Audit Committee receives an annual remuneration of NOK 50,000 and other members receive NOK 35,000. The Chairman of the Compensation Committee receives an annual remuneration of NOK 10,000 and other members receive NOK 7,500.

The Board of Directors' statement of guidelines for the remuneration of the Executive Management Pursuant to section 6-16a if the Public Limited Companies Act, the board of directors must draw up a statement of guidelines for the payment and other remuneration of Executive management. Furthermore, section 5-6 (3) of the same Act prescribes that an advisory vote must be held at the AGM on the board's guidelines for the remuneration of the Executive Management for the next financial year. To the extent the guidelines concern share-based incentive arrangements theses must also be approved by the AGM.

Regarding guidelines for remuneration to the Executive Management for the next financial year, the board will present the following guidelines to the AGM in 2013 for an advisory note.

- Remuneration to the CEO shall be decided by the Board in a Board meeting.
- Remuneration to other members of the Executive Management will be decided by the CEO on relevant directions approved by the Board. The remuneration shall be on market terms.
- The remuneration shall encourage value creation for the Company and all bonus agreements shall be linked to value creation for the Company.

Share-based payment plan
Eitzen Chemical has a share option program for the Company's key management personnel. No share option program has been set up for the Board of Directors. See note 8 in the financial statement for the Group for further information.

Expenses arising from equity-settled share-based payment

	2012	2011
Expenses included in the salaries in the income statement	-	2 498
Total	**-**	**2 498**

For further information regarding the share-based payment plan refer to note 8 in the consolidated financial statements for the Group.

Remuneration to the auditor (ex VAT)

	2012	2011
Statutory audit	825	825
Other assurance services	-	99
Tax assistance	-	5
Other non-assurance services	-	-
Attestation services	147	35
Total	**972**	**964**

Note 3 – Property, plant and equipment
(NOK '000)

	2012	2011
At 1 January, net of accumulated depreciation	857	999
Additions	189	-
Disposals	-857	-
Depreciation for the year	-26	-142
At 31 December, net of accumulated depreciation	**163**	**857**
At 31 December		
Cost	738	1 974
Accumulated depreciation	-575	-1 117
Net carrying amount	**163**	**857**

Fixed assets are depreciated on a straight-line basis. The useful life of the assets is estimated to be 3-10 years.

Note 4 - Financial income and expenses
(NOK '000)

Interest income

	2012	2011
Interest income on intercompany receivables	39 475	28 830
Bank interest	502	1 734
Total interest income	**39 977**	**30 564**

Interest expenses

	2012	2011
Bond loan, finance institutions	-36 247	-36 635
Interest expenses on intercompany receivables	-733	-1 012
Other interest	-4	-1
Total interest expenses	**-36 984**	**-37 647**

Other financial items

	2012	2011
Net currency gain/(loss)	-20 832	37 884
Dividend from subsidiaries	-	5 504
Other financial expenses	-23 544	-6 534
Total other financial items	**-44 376**	**36 854**

The net currency gain is primarily related to intercompany receivables and debt in USD.

Note 5 - Taxes
(NOK '000)

Income tax expense include the following items	2012	2011
Tax payable	-	-
Changes in deferred taxes	-	-
Income tax expense	-	-
Profit before tax	-824 039	-1 029 807
Non-deductible expenses	3 138	2 617
Income and expense not subject to taxes	-	-5 504
Permanent differences	-864 320	1 012 415
Change in temporary differences	-2 844	1 962
Taxable income	**-1 688 066**	**-18 316**
Group contribution	-	10
Taxable income	**-1 688 066**	**-18 306**

Effective tax rate	2012	2011
Profit before taxes	-824 039	-1 029 807
Expected income tax based on a tax rate of 28 %	-230 731	-288 346
Non-deductible expenses	879	733
Share issuance cost	-	-3 465
Income not subject to income taxes	-	-1 541
Taxable gain (loss) from subsidiaries	-143	-
Tax effect of asset impairment	2 931	286 942
Tax effect of disposal of financial assets	-244 798	-
Tax loss carried forward and other tax credits	472 658	5 129
Tax effect of changes in other temporary differences	-796	549
Income tax expense	**-**	**-**
Effective tax rate in %	0 %	0 %

Deferred tax assets/(liabilities)	2012	2011
Fixed assets	9	-72
Pension obligation	315	943
Capitalized transaction costs	-491	-129
Other current assets and liabilities	1 245	-
Tax loss carried forward	535 426	63 900
Deferred tax assets/(liabilities)	**536 504**	**64 642**
Deferred tax assets not recorded in balance sheet	-536 504	-64 642
Deferred tax liabilities in balance sheet	**-**	**-**

Eitzen Chemical ASA realized a loss from an internal sale of shares in subsidiaries in 2012, due to a company restructuring following the new loan agreements with the lenders of the Eitzen Chemical Group. Refer to note 6 for further information. In the tax return for 2012 Eitzen Chemical ASA intends to claim a tax loss from the transaction of NOK 1,634 million. However, there is a risk whether the transaction is within the scope of the Tax Exemption Method in Norway. In this case, the transaction may not be tax deductible. Total loss carried forward as of 31 December 2012, including the tax loss of NOK 1,634 million, is NOK 1,916 million.

Net deferred tax liabilities in limited partnerships as of 31 December 2012 amounts to NOK 0.0 million following the sale of Napoli Chemical KS in December 2012 (2011: MNOK 17.2).

Note 6 - Investments in subsidiaries

In December 2012, the Company sold its investments in Team Shipping AS, Eitzen Chemical (Denmark) A/S, Napoli Chemical KS, Napoli Chemical AS, Eitzen Chemical (Singapore) Pte. Ltd. and Eitzen Chemical Invest (Singapore) Pte. Ltd. to its wholly owned subsidiary Eitzen Chemical Shipholding AS. The company restructuring followed the new loan agreements with the lenders of the Eitzen Chemical Group.

(NOK '000)

Subsidiaries	Country of incorporation	Year of acquisition	Nominal share capital	Interest	Carrying value 2012	Carrying value 2011
Eitzen Chemical Shipholding AS	Norway	2006	NOK 40 100	100 %	-	-
Team Shipping AS	Norway	2006	NOK 343	0 %	-	306
Eitzen Chemical (Danmark) A/S	Denmark	2006	DKK 500	0 %	-	47 149
Napoli Chemical KS	Norway	2007	NOK 83 500 *	0 %	-	-
Napoli Chemical AS	Norway	2007	NOK 100	0 %	-	100
Eitzen Chemical (Singapore) Pte.Ltd.	Singapore	2010	USD 382 257	0 %	-	712 643
Eitzen Chemical Invest (S) Pte.Ltd.	Singapore	2010	USD 38	0 %	-	238
Total interest in subsidiary undertakings					**-**	**760 436**

* Nominal share capital in Napoli Chemical KS is paid in capital in the partnership.

Loss on disposal of financial assets

	2012	2011
Team Shipping AS	306	-
Eitzen Chemical (Danmark) A/S	47 149	-
Napoli Chemical AS	100	-
Eitzen Chemical (Singapore) Pte.Ltd.	712 643	-
Eitzen Chemical Invest (S) Pte.Ltd.	238	-
Total loss on disposal of financial assets	**760 436**	-

Impairment of investments in subsidiaries

	2012	2011
Eitzen Chemical Shipholding AS	-	232 500
Napoli Chemical AS	-	-
Eitzen Chemical (Singapore) Pte.Ltd	-	512 833
Total impairment of investments in subsidiaries	**-**	745 333

The Company has an investment in only one subsidiary at 31 December 2012. The carrying value of the subsidiary, Eitzen Chemical Shipholding AS, is zero.

Note 7 - Receivables and debt to group companies

(NOK '000)

	2012	2011
Eitzen Chemical (Singapore) Pte.Ltd.	433 884	286 359
Eitzen Chemical Invest (S) Pte.Ltd.	22 140	22 424
Sichem Pearl Shipping Co. Pte.Ltd.	539	-
Team Shipping AS	-426	-405
Napoli Chemical AS	-50	-99
Eitzen Chemical (USA) L.L.C.	-17 101	-21 124
Eitzen Chemical Shipholding AS	-	-652
Eitzen Chemical (Spain) S.A.	-42	-45
Receivables from Group companies	456 563	309 690
Debt to Group companies	-17 620	-22 325
Net receivables from Group companies	**438 943**	**287 365**

The Group debt and receivables are interest-bearing. The debt is denominated in USD.

Impairment of receivables from Group companies

	2012	2011
Eitzen Chemical A/S	-11 925	67 762
Eitzen Chemical (Singapore) Pte.Ltd.	-	206 070
Eitzen Chemical Invest (S) Pte.Ltd.	-	52 803
Sichem Pearl Shipping Co.Pte.Ltd.	-	283
Napoli Chemical KS	22 393	41 516
Eitzen Chemical (France) SAS	-	-62 008
Total impairment receivables from Group companies	**10 468**	**306 425**

Note 8 - Pensions and other post-employment benefit plans

The company has set up a defined benefit scheme with a life insurance company to provide pension benefits for its employees. The Company's funds are managed by an independent life insurance company that invests the Company's funds according to Norwegian law. All employees are part of the pension scheme. The scheme provides entitlement to benefits based on future service from the commencement date of the scheme.

The company also had pension obligations for employees with salaries exceeding 12G. These are non-funded obligations. The scheme was terminated in 2012.

(NOK '000)

	2012	2011
Net benefit expense (recognised in administration expenses):		
Current service cost	1 190	1 886
Interest cost	139	244
Expected return on plan assets	-94	-102
Administration fee	25	24
Amortization of actuarial losses/(gains)	663	-2 673
Payroll taxes	174	286
Total pension cost (- income)	**2 098**	**-335**
The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	2 302	3 721
Fair value of plan assets	-1 713	-2 270
	589	**1 451**
Present value of unfunded obligations	-	2 605
Unrecognised actuarial gains/(losses)	453	-1 640
Payroll taxes	83	954
Net benefit obligation (asset)	**1 125**	**3 370**
Net benefit obligation is classified in the balance sheet as follows:		
Asset	-	-
Liability	1 125	3 370
	-1 125	**-3 370**

In the balance sheet a net pension asset in one scheme is only offset against an obligation in another scheme to the extent that it is possible to fund the net obligation scheme with the assets.

Changes in the present value of the defined benefit obligation are as follows:	**2012**	**2011**
Beginning of year	9 032	6 108
Current service cost	1 190	1 886
Interest cost	139	244
Actuarial losses (gain)	-5 090	794
End of year	**5 271**	**9 032**
Changes in the fair value of plan assets are as follows:	**2012**	**2011**
Beginning of year	2 227	1 286
Expected return on plan assets	94	102
Actuarial (losses)/gains	-1 423	191
Employer contributions	837	669
Administration	-22	-21
End of year	**1 713**	**2 227**
The principal actuarial assumptions used were as follows:		
Discount rate	3.90 %	2.60 %
Expected return on plan assets	4.00 %	4.10 %
Future salary increases	3.50 %	3.50 %
Future pension increases	0.20 %	0.10 %

The assumptions used for death and disability are standardised assumptions well known in the insurance business. The Company's pension scheme qualifies as mandatory occupational pension according to the Norwegian law regulations.

Note 9 – Bond loan

NOK 627.4 million of the Company's bond debt has been classified as short term debt at year-end 2012 as the new loan agreements with the trustee of the bond loan was finalized on 4 January 2013 and the exchange of bonds was implemented on 17 January 2013. However, the bond debt has been restructured and is not payable short term at the date of approval of these financial statements. Accrued interest expenses under the new loan agreements are classified as non-current. Refer to note 13 for further information.

Eitzen Chemical ASA had unsecured bond loans outstanding totalling NOK 490 million and USD 25 million at 31 December 2012. Under the previous loan agreements, the bonds carried interest of NIBOR + 3.5 per cent and LIBOR + 3.5 per cent, respectively. The bond loans had a loan to value covenant effective from 6 November 2012. No security was provided for the bonds.

The Company was granted waivers on the existing financial covenant relating to its bond loan agreements at 31 December 2012.

Financial restructuring of bond loan agreements

On 22 November 2012, Eitzen Chemical announced that the consensual financial restructuring of the Company's bank and bond debt was approved by all of the banks in the Company's loan syndicates. The restructuring is based on a slowly improving market and will secure headroom and stable operations in the years to come. The new loan agreements were formally signed on 4 January 2013. Refer to note 13 for further information.

The key terms in the restructuring agreement include:

- The bond loan comprising a NOK tranche of NOK 490 million (ISIN NO 001033434.5) and a USD tranche of USD 25 million (ISIN NO 001033433.7) was in January 2013 exchanged into (i) a secured loan of approximately USD 50 million and (ii) an unsecured loan of approximately USD 60 million. The secured loan has a third ranking lien security in the Company's vessels (owned through subsidiaries). Eitzen Chemical ASA is the borrower for both loans. The loans have NOK and USD tranches as in the previous bond loan agreement.
- The secured loan will mature in June 2016 with no instalments until maturity. The loan will receive payment-in-kind interest of NIBOR/LIBOR plus 11 per cent p.a. due at maturity.
- The restructured interest terms of the Company's loans were effective from October 2012.
- The unsecured loan will mature in September 2016 with no instalments or interest payments until maturity. If the Company raises new equity (in the form of cash) of at least USD 50 million, the unsecured loan can be called and redeemed in full in exchange for an amount equal to USD 10 million of new equity in the Company.
- The loans do not include any financial covenants.
- The bond restructuring fee agreed in 2009 due in November 2012 are postponed to maturity of the secured loan.

On 17 January 2013 the exchange of bonds was implemented in accordance with the restructuring proposal adopted at the bondholders' meeting held on 7 December 2012. Refer to note 13 for further information.

Note 10 – Commitments and guarantee

Eitzen Chemical ASA is the guarantor of some of the loans in the Company; the guarantees are listed below;

- Eitzen Chemical (Singapore) Pte Ltd. has a USD 510 million facility agreement with final maturity in May 2016. Eitzen Chemical ASA is the guarantor of the loan. The facility has a second ranking lien security inter alia in vessels and proceeds from the vessels.
- Eitzen Chemical (Singapore) Pte Ltd. has a USD 265 million credit facilities agreement with final maturity in May 2016. Eitzen Chemical ASA is the guarantor of the loan. The facility has a second ranking lien security inter alia in vessels and proceeds from the vessels.
- Eitzen Chemical (Singapore) Pte Ltd. has a USD 170 million credit facilities agreement with final maturity in May 2016. Eitzen Chemical ASA is the guarantor of the loan. The facility has a second ranking lien security inter alia in vessels and proceeds from the vessels.
- Napoli Chemical KS has a loan agreement of USD 36 million for the purpose of financing the purchase of Napoli Chemical KS' four vessels. The loan has a second ranking lien security inter alia in vessels. Final maturity is in May 2016.
- Eitzen Chemical Invest (Singapore) Pte. Ltd, the new vessel owning entity of the vessel Tour Pomerol has entered into a loan agreement of USD 4.7 million. The loan has a second ranking lien security inter alia in the vessel Tour Pomerol. Final maturity is in May 2016.
- Sichem Pearl Shipping Co. Pte. Ltd. has entered into a loan agreement in the amount of USD 15 million. The loan has a second ranking lien security inter alia in the vessel Sichem Croisic.Final maturity is in May 2016.
- Eitzen Chemical (Singapore) Pte. Ltd. has secured a working capital facility of USD 30 million. The facility is split into (i) a term loan facility of USD 10 million and (ii) a revolving credit facility of USD 20 million. The facility was undrawn as of year-end 2012. Eitzen Chemical ASA is one of the guarantors of the loan. Final maturity of the term loan facility is May 2016 and the revolving credit facility will mature in April 2016. The loan is secured by a first ranking lien in the Company's vessels.

Eitzen Chemical ASA is the guarantor for some of the charter parties in the Company; the guarantees are listed below:

- The Sichem Defender charter party commitments are guaranteed by Eitzen Chemical ASA, on behalf of Eitzen Chemical Shipping & Trading Pte. Ltd.
- The Sichem Mississippi and the Sichem Pace charter party commitments are guaranteed by Eitzen Chemical ASA, on behalf of Eitzen Chemical Singapore Pte. Ltd.

The vessel Sichem Casablanca, which is owned by Napoli Chemical KS, a subsidiary of the Company, was in August 2006 arrested in Turkey in respect of a claim of USD 0.8 million. The vessel was released against a bank guarantee from Eitzen Chemical ASA and arbitration is initiated.

As of 31 December 2012, no provisions are made for the guarantees.

The Company has a potential liability for 75 per cent of the unpaid corporate capital commitment in Napoli Chemical KS of NOK 16.5 million. The Company sold its share in Napoli Chemical KS to Eitzen Chemical Shipholding AS in 2012, but is still jointly liable for the unpaid corporate capital commitment. As of 31 December 2012, no provisions are made for the potential liability.

Note 11 – Equity

As of 31 December 2012 the Company has a share capital of NOK 846,016,742.25, which consists of 1,128,022,323 each with par value of NOK 0.75.

On 5 February 2013 the Company held an extraordinary general meeting whereby a reverse share split in the ratio 100:1 was approved. The company's share capital is currently NOK 846,016,800 divided between 11,280,224 shares, each with a par value of NOK 75. Also refer to note 13.

(NOK '000)

	Share capital	Share premium reserve	Other paid in capital	Retained losses	Total
Equity as of 1 January 2011	753 168	111 344	4 807 071	-4 322 912	1 348 671
Decreased nominal value	-188 544	-	188 544	-	-
Decreased nominal value own shares	252	-	-	-252	-
Increase in connection with private placement	278 953	18 597	-	-	297 550
Increase in connection with subsequent offering	1 430	95	-	-	1 525
Transaction cost	-	-12 378	-	-	-12 378
Share incentive programme	-	-	2 498	-	2 498
Result of the year	-	-	-	-1 029 807	-1 029 807
Accumulated loss transfered to share premium reserve and other paid in capital	-	-117 658	-4 998 113	5 115 771	-
Equity as of 31 December 2011	**845 259**	**-**	**-**	**-237 200**	**608 059**
Equity as of 1 January 2012	845 259	-	-	-237 200	608 059
Result of the year	-	-	-	-824 039	-824 039
Equity as of 31 December 2012	**845 259**	**-**	**-**	**-1 061 240**	**-215 981**

For further information refer to the description in note 16 in the financial statements for the Group.

Shareholder information

Shareholders as of 31 December 2012 specified below:

Name:	Number of shares	Ownership
Jason Shipping ASA	383 532 236	34.0%
Skandinaviska Enskilda Banken AB	56 398 182	5.0%
Odin Maritim	17 430 831	1.5%
Apollo Asset Limited	15 945 000	1.4%
Hustadlitt A/S	14 945 000	1.3%
Sabaro Investments Ltd	14 200 000	1.3%
MP Pensjon PK	14 011 700	1.2%
Torgeir Herfindal	10 800 000	1.0%
Toluma Norden AS	10 450 500	0.9%
BNY Mellon	10 426 088	0.9%
Other	578 872 786	51.3%
Total numbers of shares excluding treasury shares	**1 127 012 323**	**99.9%**
Treasury shares at 31 December 2012	1 010 000	0.1%
Total numbers of shares including treasury shares	**1 128 022 323**	**100.0%**
Total number of shareholders	2 678	
Foreign ownership	131 448 481	11.7%

Earnings per share

Basic and diluted earnings per share are calculated by dividing net profit (loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. On 5 February 2013 the Company held an extraordinary general meeting whereby a reverse share split in the ratio 100:1 was approved. Refer to note 13 for further information. Earnings per share for both 2012 and 2011 have been calculated based on the weighted average number of shares adjusted for the reverse split. The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2012	2011
Net profit attributable to equity holders (NOK '000)	-824 039	-1 029 807
Number of shares outstanding end of period	1 127 012 323	1 127 012 000
Weighted average number of shares outstanding in the period	1 127 012 323	991 672 702
Weighted average number of ordinary shares for diluted earnings per share	11 270 123	9 916 727
Earnings per share - basic/diluted earnings per share (NOK)	**-73.12**	**-103.85**

The Board proposes that no dividend will be paid for the fiscal year 2012.

Treasury shares are not included in the weighted average number of shares. Shares under the share option program are not included since they are out of money.

Note 12 – Related party transactions

(NOK '000)

		Sale to / purchase from	
Related party	**Type of transaction**	**2012**	**2011**
Entities with significant influence over the Company:			
Jason Shipping ASA	Corporate administration	-	-46
Jason Shipping ASA	Rent	-	-1 351
Companies which are/were a part of the JSHIP Group or controlled by a related party:			
EMS Seven Seas ASA [1)]	Corporate administration	-	16
Camillo Eitzen (Danmark) A/S	Corporate administration	-	-286
Eitzen IT A/S [1)]	IT services	-	-1 970
Aage Figenschou AS [2)]	Consultancy services	-560	-141
Bsc - Bjørn Sjaastad Consulting [3)]	Consultancy services	-1 400	-720
Companies which are a subsidiary:			
Sichem Pearl Shipping Co Pte Ltd	Advisory fee	705	850
Sichem Pearl Shipping Co Pte Ltd	Interest income	550	283
Eitzen Chemical (Singapore) Pte Ltd	Advisory fee	16 412	19 125
Eitzen Chemical (Singapore) Pte Ltd	Interest income	28 029	18 324
Eitzen Chemical Shipping & Trading Pte Ltd	Advisory fee	3 984	3 825
Eitzen Chemical Invest (Singapore) Pte.Ltd.	Advisory fee	443	425
Eitzen Chemical Invest (Singapore) Pte.Ltd.	Interest income	1 423	734
Team Shipping AS	Interest expense	-3	-150
Team Shipping AS	Group contribution	-	10
Napoli Chemical AS	Group contribution	-	13 386
Napoli Chemical AS	Interest expense	-1	-392
Napoli Chemical KS	Advisory fee	1 627	1 700
Napoli Chemical KS	Interest income	7 335	5 945
Eitzen Chemical A/S	Management/CEO services	-1 043	-
Eitzen Chemical A/S	Corporate administration	-996	-1 671
Eitzen Chemical A/S	Interest income	2 138	1 600
Eitzen Chemical (Denmark) A/S	Interest income	-	1 366
Eitzen Chemical Shipholding AS [4)]	Sale of companies	-	-
Eitzen Chemical (France) S.A.S	Interest income	-	578
Eitzen Chemical (USA) L.L.C.	CEO services	-2 496	-
Eitzen Chemical (USA) L.L.C.	Interest expense	-729	-470

1) The company was controlled by Jason Shipping ASA until 21 December 2011. Transaction balances include all transactions up to that date.

2) The company is controlled by Aage Rasmus Bjelland Figenschou.

3) The company is controlled by Bjørn J. Sjaastad.

4) In December 2012, the Company sold shares in subsidiary companies to the subsidiary Eitzen Chemical Shipholding AS for USD 1 each company. Refer to note 6 for further information.

Note 13 – Subsequent events

On 4 January 2013 the Company finalized the new loan agreements with its syndicate banks and the trustee of the bond loan.

On 17 January 2013 the exchange of bonds was implemented in accordance with the restructuring proposal adopted at the bondholders' meeting held 7 December 2012.

On 5 February 2013 the Company held an extraordinary general meeting whereby a reverse share split in the ratio 100:1 was approved. The company's share capital is currently NOK 846,016,800 divided by 11,280,224 shares, each with a nominal value of NOK 75.

Oslo, 15 March 2013

The Board of Directors of Eitzen Chemical ASA

Aage Rasmus Bjelland Figenschou
Chairman of the Board

Carl Erik Steen

Helene Jebsen Anker

Heidi Marie Petersen

Per Sylvester Jensen
Chief Executive Officer

Statement of responsibility

We confirm to the best of our knowledge that the consolidated financial statements for 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as additional information requirements in accordance with the Norwegian Accounting Act, that the financial statements for the parent company for 2012 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and result of Eitzen Chemical ASA and the Eitzen Chemical Group for the period. We also confirm to the best of our knowledge that the Board of Directors' Report includes a true and fair review of the development, performance and financial position of Eitzen Chemical ASA and the Eitzen Chemical Group, together with a description of the principal risks and uncertainties that they face.

Oslo, 15 March 2013

The Board of Directors of Eitzen Chemical ASA

Aage Rasmus Bjelland Figenschou
Chairman of the Board

Carl Erik Steen

Helene Jebsen Anker

Heidi Marie Petersen

Per Sylvester Jensen
Chief Executive Officer

Corporate Governance

The main objective for Eitzen Chemical's principles for good corporate governance is to develop a strong sustainable and competitive company in the best interest of the shareholders, employees, business associates, third parties and society at large. Good corporate governance is characterised by responsible interaction between owners, the Board of Directors and its management, viewed in short and long term value creation perspective.

With reference to the Norwegian Code of Practice for Corporate Governance issued on 21 October 2009, and revised on 21 October 2010, 20 October 2011 and 23 October 2012 (the "Code"), the following chapters explain how Eitzen Chemical complies with each of the recommendations therein or explain why an alternative approach has been chosen according to the "comply or explain" principle.

1. Implementation and reporting on corporate governance
Corporate governance deals with issues and principles related to the distribution of roles between governing bodies of a company and the responsibility and authority assigned to each of those bodies. The Board ensures that Eitzen Chemical is being subject to good corporate governance, and that the Company complies with all applicable laws and regulations in this respect as well as the Code.

The Board of Directors ensures that the Company is adequately organized and managed in such a manner that the Company's set goals can be reached and foster proper controls, but at the same time encourage the business to assume risks and manage risks by encouraging innovation and entrepreneurship in order to enhance shareholder values. Eitzen Chemical is committed to ethical business practices and our values are an integrated part of how we conduct our business. The Company has developed a Corporate Social Responsibility Guideline and a Code of Conduct, which focus on ethical behaviour in everyday business activities to be followed by all employees.

The Corporate Social Responsibility Guideline, the Corporate Governance principles and the Code of Conduct are published on the Company's website.

The topic of corporate governance is subject to assessment and discussion by the Board annually or more often if deemed necessary.

2. Business
With reference to the Articles of Association, Eitzen Chemical's objective is to "be engaged in shipping, portfolio investments and related business, including participating in companies engaged in similar business."

Our vision:
Superior commitment to customers and quality creates value.

Mission statement:
We are an ambitious global organisation with focus on:

- Safety & environment
- Customers
- Quality
- People
- New thinking
- Being proactive

3. Equity and dividends
The financial restructuring of Eitzen Chemical's bank and bond debt was concluded in January 2013. The new financial structure is based on a slowly improving market and will secure headroom and stable operations in the years to come. A term- and revolving credit facility of USD 30 million is secured to provide the Company with sufficient available liquidity. The facility was undrawn as of year-end 2012.

Total equity as of 31 December 2012 was negative USD 32.1 million, which gives an equity ratio of 3 per cent negative. Based on the agreements with the Company's lenders, the Board currently considers the Company's capital situation as adequate. Nevertheless, the Board considers the current net asset value to be below par value of the Company's shares in the current market situation. At the Ordinary General Meeting in 2013 a share capital reduction through a write down of par value will be proposed. Eitzen Chemical will continue its focus on strengthening the Company's capital situation and evaluate potential partners who are willing to invest long term in the Company.

On 31 December 2012, the total number of shares outstanding was 1,128,022,323. The share price ended at NOK 0.08, and the Company's market capitalization was USD 16.2 million.

On 5 February 2013 the Company held an extraordinary general meeting where a reverse share split in the ratio 100:1 was approved. The Company's share capital is at the issue date of this statement NOK 846,016,800 divided by 11,280,224 shares, each with a par value of NOK 75.

As part of the overall agreements with its banks in 2013, the Company has agreed not to pay dividend nor repurchase own shares before the maturity of its debt in 2016 without a prior approval from the banks.

4. Equal treatment of shareholders and transactions with close associates
Eitzen Chemical has one class of shares and each share entitles the holder to one vote. The shares are registered with the Norwegian Registry of Securities.

The Company has established Code of Conduct which applies to all employees and the Board of Directors, and promotes core values including transparency and integrity. The members of the Board and executive personnel are required to notify the Board if they have any interest in any transaction entered into by the Company. In addition the Company has established Directives for inside trading and trading in own shares.

5. Freely negotiable shares
All the Company's shares carry equal rights and are freely negotiable.

6. General meetings
Eitzen Chemical seeks to ensure that the General Meetings are an effective forum for the views of shareholders and the Board. The Annual General Meeting is held every year before the end of June. The date of the 2012 annual general meeting was 25 May 2012. The financial statements, annual reports and share dividend shall be approved in the General Meeting, including other decisions required under existing laws and regulations.

Shareholders may notify the Company in writing of issues to be discussed or considered at the General Meetings within seven days prior to the company's notice as per below.

Notices of General Meetings are published and distributed by mail no later than 21 days prior to the date of the general meeting. Within the same time the notice is also made available on the Company's website, including supporting information. The shareholders may give notice of their intent to be represented at the meeting by mail or email within three business days prior to the meeting. Shareholders who are unable to attend may vote by proxy. Proxy forms which allow separate voting instructions to be given for each matter to be considered by the meeting, and separate voting for each candidate nominated for election, are available with the notice. The Company will make a person available to vote on behalf of shareholders as their proxy.

The Chairman of the Board, the auditor, the CEO and the CFO are present at the General Meetings to answer questions. The remaining members of the Board, the Nomination Committee and other executives attend as necessary.

The General Meetings are opened by the Chairman of the Board who proposes a chairman to be elected for the meeting.

7. Nomination Committee
The Company's Articles of Association provide for a Nomination Committee composed of two to three members elected by the General Meeting. The Nomination Committee Guidelines were approved by the Annual General Meeting 9 May 2011 and states that the committee itself shall propose the members for the General Meeting.

The Nomination Committee is currently composed of Andreas Mellbye (chairman) and Jan Fredrik Eriksen (member). Both were elected for a term of 2 years, ending May 2014. The members of the Nomination Committee are independent of the Board of Directors and the Executive management of the Company.

8. Corporate Assembly and Board of Directors, composition and independence
Eitzen Chemical is not required to have a Corporate Assembly and has chosen not to include such requirement to its Articles of Association.

The Board, including its Chairman are nominated by the Nomination Committee and elected by the General Meeting. Under to the Articles of Association the Board shall have a minimum of three and maximum seven members. The current Board was elected by the Annual General Meeting on 9 May 2011 for two years. Bjørn Sjaastad, who was elected Chairman by the Annual General Meeting on 9 May 2011, withdrew from the Board in September 2012. Aage Figenschou, who has served as a Board member since 2009, took over the position as new Chairman and was formally elected Chairman on the Extraordinary General Meeting held on 5 February 2013.

Board members Helene J. Anker, Heidi M. Petersen and Carl Erik Steen are all independent of the Company's largest shareholder, the Company's executives and its material business relations. Aage Figenschou was on the Board of the Company's largest shareholder Jason Shipping ASA, which is holding 34.0 per cent of the Company's outstanding shares, until 1 February 2012. When Aage Figenschou withdrew from the Board of Jason Shipping ASA, he took up the position as the Chief Executive Officer of Jason Shipping ASA. The Board represent a strong combination of shipping, banking and financial experience. A summary of the Board members professional background is available on the Company's website.

In addition to receiving the annual remuneration as Chairman, Aage Figenschou has from September 2012 been delegated additional tasks by the Board under a consultancy agreement. None of the board members have options or profit-based remunerations.

The members of the Board are encouraged to own shares in the Company. Further information about the Board members shareholding is disclosed in note 16 to the financial statements.

As of year-end 2012, Eitzen Chemical had 1,250 crew members employed on its vessels or on leave. In addition, the Company had 81 permanent employees onshore.

9. The work of the Board
The law stipulates the responsibilities of the Board to include the overall management and oversight of the Company.

In 2012 the Board of Eitzen Chemical ASA held 21 regular board meeting. Four of the meetings dealt with the quarterly financial reports, and one meeting was related to approving the annual report. In addition to the regular Board meetings, the Board may also arrange special meetings, either by telephone conference or by written resolution requested of the chairman, the CEO or by any other Board member.

In 2010 the Board appointed a permanent Audit Committee. The committee is currently composed of Helene J. Anker (chairman) and Heidi M. Petersen (member). In addition, the board appointed a permanent remuneration committee in 2011 composed of Aage Figenschou and Helene J. Anker. These committees do not make resolutions, but prepare matters for the Board's consideration within the committee's specialized

area and supervise the work of the Company's management on behalf of the Board. The Board evaluates its performance and expertise annually.

10. Risk management and internal control
The Board of Directors are kept updated on the company activities through regularly reporting, including monthly financial reporting. The Audit Committee ensures that the Company has adequate financial risk management, and effective internal control systems.

The Company is also subject to external control by its auditors, the ship classification societies, port and flag state control, and other regulatory bodies like IMO etc. The Management of Eitzen Chemical monitors that the Company acts in accordance to applicable law and regulations.

11. Remuneration of the Board
Remuneration of the Board is disclosed in note 8 to the financial statements. The remuneration reflects the Board's responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration is not linked to the Company's performance. The Company has not granted any share options to the Board members. The remuneration is approved at the Annual General meeting.

The Chairman was delegated additional tasks by the Board. The remuneration for these additional services was NOK 140,000 excluding VAT per month.

12. Remuneration of executive personnel
The Board has established and the General Meeting has approved the Board's guidelines for the remuneration of key personnel. The financial interests of the key personnel and the shareholders are aligned through a discretionary bonus scheme. Further information about remuneration of the CEO and executive management is disclosed in note 8 to the consolidated financial statements for the Group.

13. Information and communication
Eitzen Chemical's communication to the market is based on openness and equal treatment of all participants in the securities market. Each December the Company publishes the financial calendar for the coming year. In general the Company presents preliminary annual accounts with the fourth quarter results in February. The Annual Report is normally published in March or April. The Company publishes accounts on a quarterly basis. Official communication is published simultaneously on the Oslo Stock Exchange and on the Company's website. In connection with the Company's presentation of quarterly reports, open investor presentations and webcasts are conducted. The CEO reviews the results and comments on the performance and the outlook. The CFO presents the financial figures.

In addition, Eitzen Chemical maintains dialog with analysts and investors. It is the Company's ambition to maintain an impartial distribution of information when dealing with shareholders and analysts.

14. Take-overs
There are no defence mechanisms against take-over bids in the Company's Articles of Association, nor have other measures been implemented to obstruct such take-overs. The Board will not seek to obstruct any takeover bid for the Company's activities or shares unless there are particular reasons for doing so. In the event of such a bid the Board will seek to comply with the recommendations made in section 14 in the Code and other relevant law and regulations.

15. Auditor
Eitzen Chemical has appointed Ernst & Young as auditor. The auditor prepares an annual audit plan which is presented to the Audit Committee in the autumn each year. The auditor also presents to the Audit Committee the results of their assessment and testing of the Company's internal controls. The auditor is present at the Audit Committee meetings and participates at the Board meeting approving the annual financial statements. At these meetings, the auditor reports on any material changes in the Company's accounting principles, and on financial items which include material estimation or judgement. The auditor also reports any material matters of contention between the auditor and the management. Further, the Board has a session with the auditor without the presence of the CEO or other members of the management.

In order to secure consistency in controls and audits of the Company, Eitzen Chemical generally uses the same audit firm for all subsidiaries worldwide. The Board is kept updated on the use of the auditor by the Company's executive management for services other than the audit. The Board report the remuneration paid to the auditor at the Annual General Meeting, including details of the fee paid for audit work and any fees paid for other specific assignments. Such details are disclosed in note 8 to the consolidated financial statements for the Group.

ERNST & YOUNG

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Member of the Norwegian Institute of Public Accountants

To the Annual Shareholders' Meeting of
Eitzen Chemical ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Eitzen Chemical ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2012, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2012, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Eitzen Chemical ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Emphasis of matter

Without qualifying our opinion, we draw attention to the Board of Director's Report and notes to the Group's financial statements regarding the basis for applying the going concern assumption. Whilst both the parent company and the Group have negative equity as of 31 December 2012, the agreement with the lenders provides a basis for continued operations. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and the statement on corporate governance

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and the statement on corporate governance concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 15 March 2013
ERNST & YOUNG AS

Sondre Kvaalen
State Authorised Public Accountant (Norway)

Fleet list as of 31 December 2012

Owned and leased vessels

Vessel	DWT	Built	Flag	Ownership	IMO
Sichem Colibri	3,592	2001	MAL	Owned	II*
Sichem Sparrow	3,596	2001	MAL	Owned	II*
Sichem Houston	6,239	1995	UK	Owned	II*
Sichem Casablanca	6,999	1993	UK	Owned	II*
Sichem Croisic	7,721	2001	MAL	Owned	II*
Sichem Lily	8,000	2009	MAL	Owned	II*
Sichem Orchid	8,115	2008	MAL	Owned	II*
Sichem Iris	8,140	2008	MAL	Owned	II*
Tour Margaux	8,674	1993	MAL	Owned	II*
Sichem Palace	8,807	2004	SIN	Owned	II*
Sichem Amethyst	8,817	2006	PAN	Finance lease	II*
Sichem Ruby	8,824	2006	PAN	Finance lease	II*
Tour Pomerol	10,379	1998	SIN	Owned	II*
Sichem Fumi	11,674	1996	PAN	Owned	II*
Sichem Challenge	12,181	1998	SIN	Owned	II*
Sichem Mississippi	12,273	2008	PAN	Operating lease	II*
Sichem Aneline	8,941	1998	MAR	Finance lease	II
Sichem Dubai	12,889	2007	MAL	Owned	II
Sichem Marseille	12,928	2007	SIN	Owned	II
Sichem Melbourne	12,937	2007	SIN	Owned	II
Sichem New York	12,945	2007	SIN	Owned	II
Sichem Hiroshima	13,000	2008	SIN	Operating lease	II
Sichem Montreal	13,056	2008	SIN	Owned	II
Sichem Beijing	13,068	2007	SIN	Owned	II
Sichem Hong Kong	13,069	2007	SIN	Owned	II
Sichem Paris	13,079	2008	SIN	Owned	II
Sichem Mumbai	13,084	2006	PAN	Finance lease	II
Sichem Onomichi	13,104	2008	SIN	Operating lease	II
Sichem Manila	13,125	2007	SIN	Owned	II
Sichem Singapore	13,141	2006	ITA	Owned	II
Sichem Edinburgh	13,153	2007	SIN	Owned	II
Sichem Rio	13,162	2006	ITA	Owned	II
Sichem Defiance	17,396	2001	MAR	Owned	II*
Sichem Contester	19,822	2007	SIN	Finance lease	II*
North Contender	19,925	2005	PAN	Finance lease	II*
North Fighter	19,932	2006	PAN	Finance lease	II*
Sichem Pace	19,983	2006	PAN	Operating lease	II*
Sichem Defender	20,000	2007	PAN	Finance lease	II*
Sichem Osprey	25,000	2009	MAL	Owned	II
Sichem Hawk	25,385	2008	MAL	Owned	II
Sichem Falcon	25,419	2009	MAL	Owned	II
Sichem Eagle	25,421	2008	SIN	Owned	II
Siteam Anja	44,640	1997	MAR	Owned	II/III
Siteam Discoverer	46,005	2008	SIN	Owned	II
Siteam Voyager	46,017	2008	SIN	Owned	II
Siteam Leader	46,017	2009	SIN	Owned	II
Siteam Adventurer	46,026	2007	SIN	Owned	II
Siteam Explorer	46,026	2007	SIN	Owned	II
Siteam Jupiter	48,309	2000	LR	Finance lease	II

Siteam Neptun	48,309	2000	LR	Finance lease	II

* Stainless steel

Fleet summary

	Owned	Finance lease	Operating lease	Total
Total fleet	36	10	4	**50**

Eitzen Chemical ASA
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APPENDIX II

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF EITZEN CHEMICAL ASA AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2011

Eitzen Chemical ASA

Annual Report 2011

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Description of Eitzen Chemical

Overview of Eitzen Chemical

Eitzen Chemical ASA *("Eitzen Chemical" or "the Company")* is a leading marine chemical and related products transportation company with a total sailing fleet of 72 vessels as per year end 2011. The Company transports a wide variety of cargoes such as organic chemicals, non-organic chemicals, clean and dirty petroleum products, vegetable oils and lube oils. The fleet consists of coated and stainless steel vessels ranging from 3,500 to 48,000 dwt, primarily designed for the transport of IMO II classified chemical cargoes. The vessels are employed in the spot market or chartered out through time-charter agreements or Contracts of Affreightment (COAs).

The owned and leased fleet comprise 53 vessels, of which 49 vessels are owned or on finance lease and four vessels are on operating lease. In addition, the Company operated 19 vessels per end of 2011 for partners through pool agreements. Eitzen Chemical operates one of the industry's most modern chemical tanker fleets with an average age of seven and a half years for the owned and leased vessels.

The vessels are commercially operated through offices in Denmark, Spain, USA and Singapore. The commercial offices communicate on a common IT platform, which includes global voyage management and communication systems to ensure that commercial activities are co-ordinated and optimised between the various commercial offices. The technical management of the owned vessels is handled by Selandia, V. Ships and Thome Ship Management. Eitzen Chemical has a global presence as illustrated in the figure below.

Eitzen Chemical offices

Strategy

Eitzen Chemical's objective is to be a leading company within the marine transportation of chemicals and related products, through the commercial management and ownership of a diversified chemical carrier fleet. Eitzen Chemical's strategy is to enhance its position as an industrial carrier of chemical products, thereby enabling the Company to transport more sophisticated and higher paying cargoes. Eitzen Chemical will continue to increase its contract cover over time, with due attention given to where we are in the market cycle.

Overview of the Eitzen Chemical fleet

The fleet consists of various types and sizes of chemical tankers, with focus on the segment between 3,500 and 48,000 dwt. Cargo segregations vary from 12 to 30, and the fleet consists of both coated and stainless steel vessels. Of the owned and leased fleet at the end of the year, 28 were coated and 25 were stainless. With an average fleet age of seven and a half years, Eitzen Chemical operates one of the youngest chemical fleets in the world.

Of the vessels operated by the Company, 39 are owned through subsidiaries in Singapore and Norway. 14 vessels are chartered in on time-charter or bareboat basis (most of them with purchase options) while the remaining 19 vessels are commercially operated through pool agreements. The vessels which are chartered in are classified as finance or operating leases in the Company's financial statements.

Owned vessels

Vessel	Built	Dwt	Flag	Ship owning company	Technical Mgmt.	Coating	IMO
Siteam Adventurer	2007	46,026	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Explorer	2007	46,026	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Voyager	2008	46,017	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Leader	2009	46,017	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy / Zinc	II
Siteam Discoverer	2008	46,005	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy / Zinc	II
Siteam Anja	1997	44,640	Marshall Islands	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Epoxy	II/III
Sichem Eagle	2008	25,421	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy	II
Sichem Falcon	2009	25,419	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy	II
Sichem Hawk	2008	25,385	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy	II
Sichem Osprey	2009	25,431	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy / Zinc	II
Sichem Defiance	2001	17,396	Marshall Island	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II
Sichem Rio	2006	13,162	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Edinburgh	2007	13,153	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Marineline	II
Sichem Singapore	2006	13,141	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Manila	2007	13,125	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Marineline	II
Sichem Paris	2008	13,079	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Hong Kong	2007	13,069	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Beijing	2007	13,068	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Montreal	2008	13,056	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy	II
Sichem New York	2007	12,945	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Epoxy	II

Vessel	Built	Dwt	Flag	Ship owning company	Technical Mgmt.	Coating	IMO
Sichem Melbourne	2007	12,937	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Marseille	2007	12,928	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Dubai	2007	12,889	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Epoxy	II
Sichem Challenge	1998	12,181	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II
Sichem Fumi	1996	11,674	Panama	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Tour Pomerol	1998	10,379	Singapore	Eitzen Chemical Invest (Singapore) Pte.Ltd	V-Ships	Stainless Steel	II
Sichem Pearl	1994	10,332	Singapore	Sichem Pearl Shipping Co Pte. Ltd.	Selandia	Stainless Steel	II
Sichem Palace	2004	8,807	Singapore	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Tour Margaux	1993	8,674	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	V-Ships	Stainless Steel	II
Sichem Iris	2008	8,140	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Sichem Orchid	2008	8,115	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Sichem Lily	2009	8,000	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Thome	Stainless Steel	II
Sichem Croisic	2001	7,721	Malta	Sichem Pearl Shipping Co Pte. Ltd.	V-Ships	Stainless Steel	II
Ievoli Gold	1993	6,999	UK	Napoli Chemicals KS	V-Ships	Stainless Steel	II
Ievoli Attilio	1995	6,239	UK	Napoli Chemicals KS	V-Ships	Stainless Steel	II
Ievoli Silver	1992	5,459	UK	Napoli Chemicals KS	V-Ships	Stainless Steel	II
Ievoli Torquato	1992	5,430	UK	Napoli Chemicals KS	V-Ships	Stainless Steel	II
Sichem Sparrow	2001	3,596	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II
Sichem Colibri	2001	3,592	Malta	Eitzen Chemical (Singapore) Pte. Ltd.	Selandia	Stainless Steel	II

Leased vessels

As per 31 December 2011, the Company had chartered in 14 chemical tankers, of which four are on bareboat basis and ten are on time-charter basis. The duration of all charters are arranged as firm periods with additional option periods for the Company. Charter hire is differentiated in relation to firm and optional periods for some of the charters. All charter-parties include purchase options in favour of the Company apart from the Sichem Pace charter-party. For an overview of the vessels chartered in by subsidiaries of the Company and the main provisions of these charter-parties, reference is made to the following two tables.

Vessels on finance leases

The vessels classified as finance lease vessels are recognized in the same manner as vessels owned by the Company. On the next page is an overview of Eitzen Chemical's ten finance lease vessels:

Vessel	Built	Dwt	Flag	Technical Mgmt.	Maturity*	Purchase Price**	Coating	IMO
Siteam Jupiter	2000	48,309	Liberia	Chemikalien Seetransport	May-2013	USD 15.8M	Epoxy / Zinc	II
Siteam Neptun	2000	48,309	Liberia	Chemikalien Seetransport	Apr-2013	USD 15.8M	Epoxy / Zinc	II
Sichem Defender	2007	20,000	Panama	Fleet Management	Jan-2014	JPY 2,592M	Stainless Steel	II
North Fighter	2006	19,932	Panama	Selandia	Mar-2011	USD 22.3M	Stainless Steel	II
North Contender	2005	19,925	Panama	Selandia	Oct-2011	USD 21.3M	Stainless Steel	II
Sichem Contester	2007	19,822	Singapore	Fleet Management	Oct-2014	JPY 2,809M	Stainless Steel	II
Sichem Mumbai	2006	13,084	Panama	V-Ships	Oct-2016	USD 16.8M	Epoxy	II
Sichem Aneline	1998	8,941	Marshall Island	Selandia	Jul-2018	JPY 1,573M	Epoxy	II
Sichem Ruby	2006	8,824	Panama	Bernhard Schulte	Aug-2013	JPY 1,490M	Stainless Steel	II
Sichem Amethyst	2006	8,817	Panama	Bernhard Schulte	Oct-2013	JPY 1,305M	Stainless Steel	II

* Maturity date of the firm charter period. Most of the leased vessels have options to extend the charter and option to purchase the vessel on or before the end of the firm charter period, or during the optional extension period.

** The purchase price indicates the option price at first possible exercise date.

Vessels on operating leases

Overview of the Company's four operating lease vessels:

Vessel	Built	Dwt	Flag	Technical Mgmt.	Maturity*	Purchase Price**	Coating	IMO
Sichem Pace	2006	19,983	Panama	Selandia	Aug-2014	n/a	Stainless Steel	II
Sichem Onomichi	2008	13,104	Singapore	Selandia	Feb-2015	USD 20.8M	Epoxy	II
Sichem Hiroshima	2008	13,000	Singapore	Selandia	May-2015	USD 20.8M	Epoxy	II
Sichem Mississippi	2008	12,273	Panama	V-Ships	Dec-2028	JPY 3,300M	Stainless Steel	II

* Maturity date of the firm charter period. Most of the leased vessels have options to extend the charter and option to purchase the vessel on or before the end of the firm charter period, or during the optional extension period.

** The purchase price indicates the option price at first possible exercise date.

Pool vessels

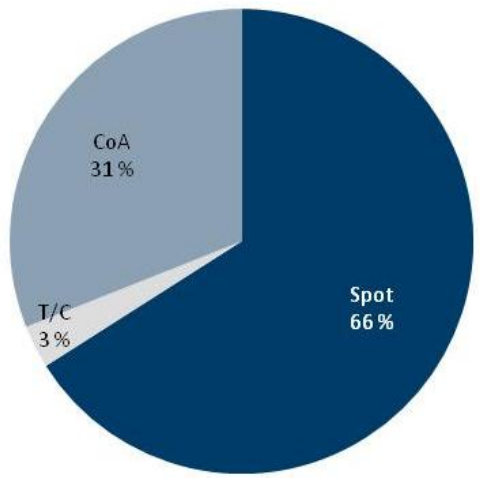
Eitzen Chemical is the commercial manager for the City Class Pool and Team Tanker Pool. On 21 November 2011, Eitzen Chemical announced that notice had been given that the Company will discontinue as manager for the pools. The City Class Pool currently consists of 35 vessels of around 13,000 dwt, coated and IMO II. 15 of the vessels are owned or leased by the Company and 20 vessels are operated on behalf of partners. The Team Tanker Pool consists of 13 vessels, between 40,000 dwt and 48,000 dwt, coated and IMO II. Eight of the vessels are owned or leased by the Company and five are owned by a partner. In the Team Tanker Pool the five vessels owned by the

external partner was withdrawn from the pool at 31 December 2011. The vessels in the City Class Pool owned by external partners are expected to be withdrawn from the pool during first half 2012.

Contract coverage

Eitzen Chemical has long term relationships with many of its customers. The term business coverage, measured in number of days, is 34 per cent for 2012, with the CoA cover at 31 per cent and Time Charter cover at 3 per cent. Firm CoAs and CoAs that, in the management's opinion, are expected to be renewed based on historical and other reasons are included in the estimated contract coverage. CoAs typically have minimum and maximum volumes and the contract coverage is thus based on management's anticipated volume. The CoA contracts typically have a firm duration of one year at a time and are subject to annual re-negotiations, but some of the CoAs have firm periods lasting up to five years. The following figure illustrates the contract coverage.

Eitzen Chemical Contract coverage 2012



Source: Eitzen Chemical (expected 2012 coverage as per 31.12.2011)

Time Charter Agreements

Three of the vessels owned or leased by the Company are chartered out on a time-charter / bare boat basis. All charters are based on standard charter party forms and are governed by English or US law. Most of the contracts are on short to medium term (from 1 – 2 years).

Contracts of Affreightment

The Company has entered into various CoAs with various customers. Several of the Company's owned or chartered vessels are employed for the performance of these CoAs. The CoAs are with few exceptions not linked to the use of a particular vessel or a particular group of vessels.

Vessels employed in the spot market

Several of the vessels owned or chartered by the Company are employed in the spot market for voyage charters. These contracts are typically based on standard charter party forms like Asbatankvoy, Shell Voy or similar and governed by English or US law.

Introduction to the chemical tanker market

Introduction

Chemical tanker vessels are mainly used for cost-efficient long-distance bulk transportation of organic chemicals, inorganic chemicals and vegetable oils and animal fats. In addition, miscellaneous cargoes such as molasses, lube oils and refined petroleum products, e.g. gasoline and jet fuel, can be transported with chemical tanker vessels.

Organic chemicals, also referred to as petrochemicals, are chemicals derived from petroleum products and are carbon based. The most common organic chemicals transported by sea include methanol, MTBE and BTX (benzene, toluene and xylene). Organic chemicals are estimated to be the largest chemicals product group in the seaborne chemical trade.

Inorganic chemicals are chemicals of mineral origin. These chemicals are derived from other sources than petroleum products and do not necessarily have carbon structures. The most common inorganic chemicals include phosphoric acid, sulphuric acid and caustic soda.

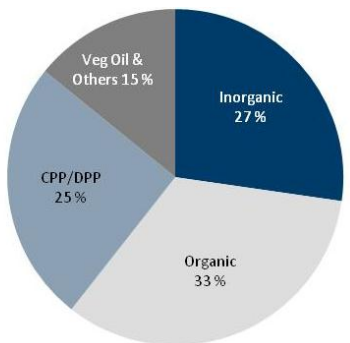
Vegetable oils and animal fats is the third main category transported on chemical tankers. Growth in the trade of these products has recently outpaced growth in the organic and inorganic chemicals trade.

In addition to chemical transportation, chemical tankers can also be used to transport refined petroleum products (CPP), which are usually transported by less sophisticated product tankers. Product tankers can, in turn, be used to carry certain less hazardous chemicals. The chemical tanker market is therefore linked to the product tanker market and the boundary between the product tanker and the chemical tanker market is therefore not easily defined.

However, new IMO rules which came into effect on 1 January 2007 added several new cargoes to the chemical tanker trade and certain cargoes which previously could be transported by product tankers had to be transported by chemical tankers with effect from 1 January 2007. Of these cargoes, the most significant in terms of cargo volumes were vegetable oils and soft oils.

The figure below illustrates Eitzen Chemical's cargo liftings for 2011.

Eitzen Chemical Cargo liftings 2011

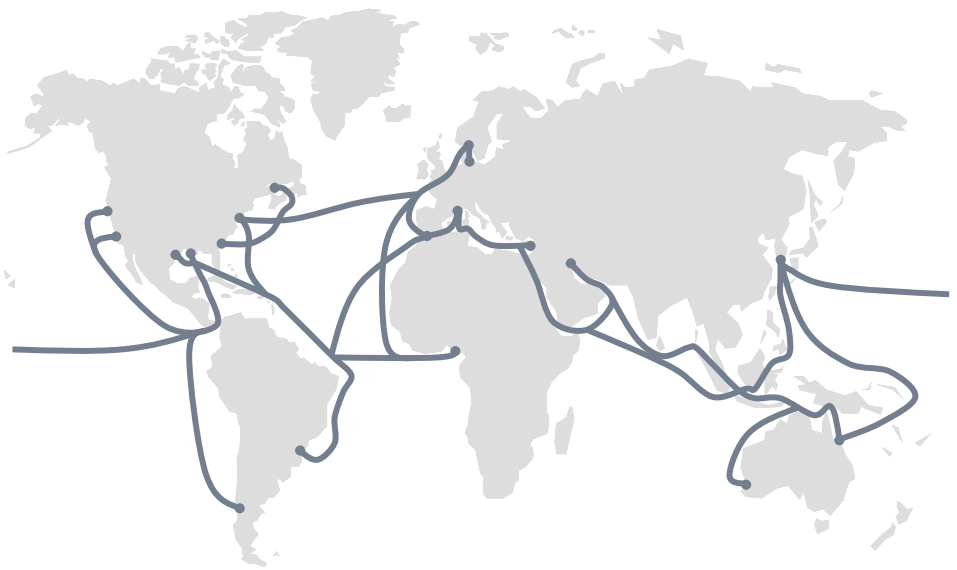


Source: Eitzen Chemical (excluding vessels fixed out on T/C contracts)

Seaborne transportation of chemicals takes place in all parts of the world. The most important long haul trade lanes for chemical tankers are between the major chemical supply areas in the US, Northwest Europe, Singapore and the Arabian Gulf region, and the main chemical importing regions in Europe, Asia and South America. There is also substantial transatlantic trade between the US and Northwest Europe. Other important trade lanes are from the Middle East to North America and to Europe. The Middle East and Asia are expected to become more

important regions in the chemical trade as a result of growth in chemical plant and petroleum refinery capacity in these regions. Increased chemical plant and refinery capacity in these regions is expected to replace ageing refinery plants in the US and Europe. The customers of the chemical tanker operators are mainly producers or consumers of chemical products, e.g. major industrial chemical companies, oil companies and mining companies.

The figure below illustrates Eitzen Chemical's main trade lanes.



IMO regulation

The International Maritime Organization ("IMO") is a specialized agency of the United Nations which is responsible for measures to improve the safety and security of international shipping and to prevent marine pollution from ships. Some of these measures include issuing technical requirements that vessels must fulfil in order to gain permission to transport oil products and chemicals. Product and chemical tankers can be segregated based on their IMO classification, which are quality grades for the permission to transport various chemical and oil products. IMO I graded products are the most hazardous, IMO III the least hazardous. In general, IMO I and IMO II grade tankers are referred to as chemical tankers.

Non-IMO / product tankers are classed as carriers for oil and oil products. In addition to oil and oil products, such as gasoline, non-IMO / product tankers can carry non-IMO liquids such as molasses and ethanol. IMO III tankers are classed as carriers for oil and oil products as well as carriers for type III cargoes. Type III cargoes include, among others, methanol, MTBE, styrene, toluene, and chemical tankers transporting these cargoes have to be classed as IMO III tankers (or better). IMO II tankers are classed as carriers for oil and oil products as well as carriers for type III and type II cargoes. Type II cargoes include, among others, acids, fatty acids, xylene, white spirit and vegetable oils (e.g. palm oil, sunflower oil and soybean oil), and chemical tankers transporting these cargoes have to be classed as IMO II tankers, although vegetable oils can be shipped in double hulled IMO III tonnage. The requirements for IMO II chemical tankers are the same as for IMO III chemical tankers, but with stricter requirements, e.g. with respect to tank size. IMO II tankers can transport both oil products and type III and type II chemicals.

IMO revised carriage requirements under Annex I (oil) and Annex II (noxious liquid substances in bulk which mainly have to be carried by chemical tankers), with the aim of protecting the environment through stricter regulations. The revisions to Annex I have been implemented, with the result that single hull tankers had to be phased out within year end 2010, but with several exceptions A fairly comprehensive revision has also been made to Annex II, which took effect on 1 January 2007. The revision has imposed stricter requirements on the carriage of chemical

products. A number of cargoes were moved from not being IMO categorised to requiring IMO III or even IMO II classed tankers. To illustrate this by means of some examples, xylene went from requiring IMO III tankers to requiring IMO II tankers. Methanol, MEG and MTBE went from no IMO requirement to requiring IMO III tankers. The most significant change in terms of volume was for vegetable oils and soft oils which went from no IMO requirement to requiring IMO IIk (effectively meaning IMO III, but double hull).

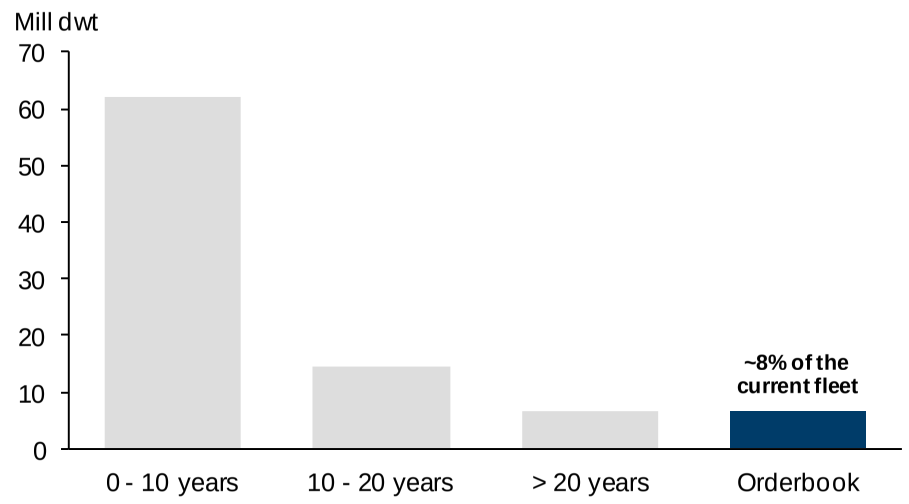
Overview of current fleet and order book

The chemical tanker market is relatively small in terms of number of vessels compared to the total tanker market.

The graphs below and on the next page give an overview of the age distribution of the existing fleet of chemical and product tankers from 3,000 to 60,000 dwt, as well as the current order book for vessels in this segment. The order book is currently estimated to represent less than 10 per cent of the current fleet, reduced from peak levels of around 55 per cent early in 2008 and down from 14 per cent a year ago. The recent global economic recession and the financial turmoil have lead to significant newbuilding cancellations and it is still uncertain whether all newbuildings will be delivered.

About eight per cent of the current fleet is above 20 years, and about 16 per cent of the fleet above 20 years is single hulled. The amount of demolitions have decreased during 2011 as many older single hull vessels were demolished in the past years due to single hull regulations and low earnings. However an 'above normal' demolition level is expected to continue in 2012 and 2013 as a large number of older vessels will be removed from the market. Thus, demolition of old tonnage is an important supply side factor in the chemical tanker market. Furthermore the amount of new deliveries is expected to continue the decline as it is anticipated that there will be limited, if any, new orders placed for chemical tankers in the near future.

Current fleet of chemical and product tankers, 3k to 60k dwt

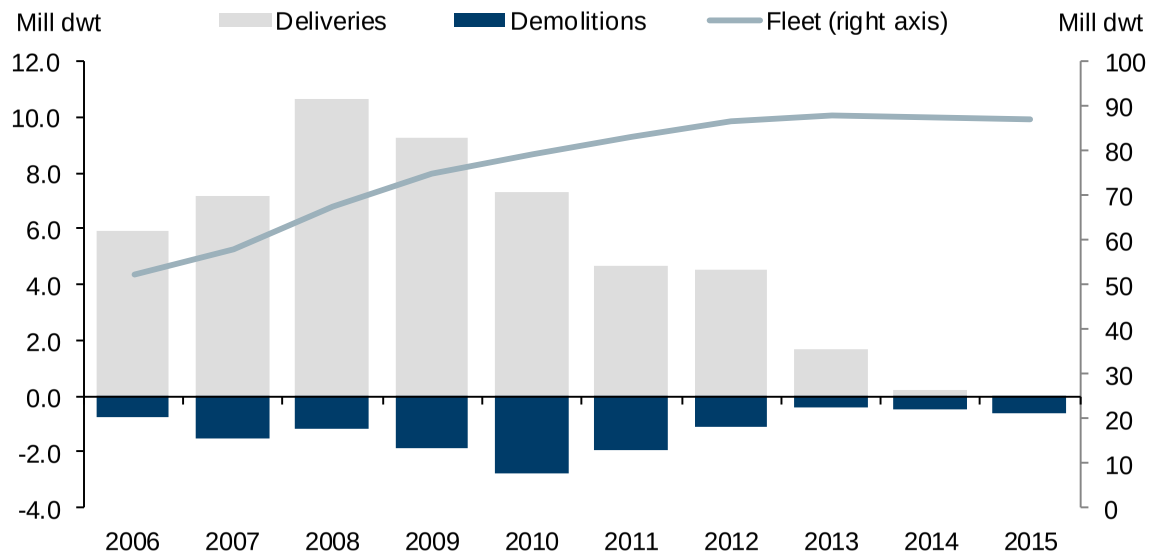


Source: Eitzen Chemical based on industry sources

Estimated fleet growth

The figure below sets forth the estimated fleet growth for chemical and product tankers from 3,000 to 60,000 dwt for the period from 2006 to 2015.

Fleet growth



Source: Eitzen Chemical based on industry sources

In 2011, the chemical and product tanker fleet (3,000 - 60,000 dwt) increased by about three per cent and the fleet growth is expected to be approximately three per cent in 2012. Based on the rapidly decreasing order book and estimated scrapping and removal of older tonnage, the fleet growth is expected to be moderate going forward. In 2012 and 2013, the net fleet growth is estimated to be around two to three per cent and is expected to decrease further in 2014.

Freight rate development

Chemical market – tonnage demand

Demand for chemical tankers is influenced by many variables as a vast number of commodities are involved in the seaborne chemical trade. World GDP growth and world industrial production is one of the main drivers for demand for chemicals and is therefore often considered to be one of the main indicators for chemical tanker demand. Although, there is some uncertainties with regards to the macroeconomic indicators following the European sovereign debt crisis, world GDP figures are anticipated to grow, according to the IMF[1], by 3.3 per cent in 2012 and 3.9 per cent in 2013 and historically the demand for chemical tanker transportation has been growing at a factor larger than 1.

The world's chemical production capacity has been growing steadily during the last decade, partly influenced by increasing consumption as a result of a growing world population. Traditionally, the key areas for production and consumption of chemicals have been the main traditional industrial areas in North America, Northwest Europe and

[1] *International Monetary Fund: World Economic Outlook Update, 24 January 2012*

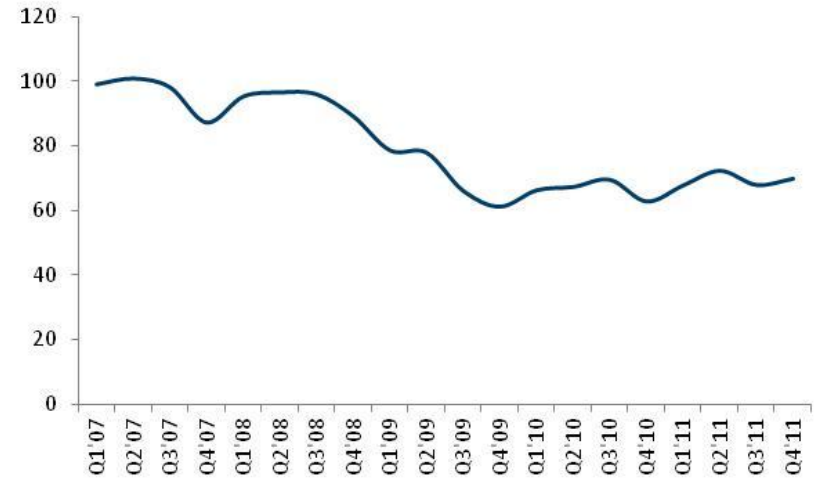
Japan. Going forward a rapid build-up of new chemical plants, especially in the Middle East, Asia and South America is expected. The Middle East and Asia is therefore expected to become more important regions for the chemical tanker industry. In recent years, China has also emerged as a significant importer and exporter of chemicals, and this is likely to continue. The demand for marine chemical transportation, measured in tonne miles, is expected to continue to grow as a result of the increasing industrial production and increased chemical plant and refinery capacity in the Middle East and Asia. The long term growth rate for global chemicals and plastics demand has been estimated to be around four per cent[2].

Freight rates

The table below sets forth the development in the Eitzen Chemical Index (ECI) since 2006. The Eitzen Chemical Index (ECI) is based on the Company's sailed in time-charter equivalent (TCE) earnings per day.

In 2009, high fleet growth coupled with reduced industrial production as a consequence of lower economic activity and negative GDP growth in the major economies, had a negative impact on chemical tanker demand and freight rates. Industrial production has however, in most parts of the world, picked up and increased demand for chemicals and, as can be seen from the graphs below, the seaborne transportation of same. The continuation of high bunker expenses throughout 2011 had a negative impact on the Eitzen Chemical Tanker Index, which measures time-charter equivalent earnings, i.e. revenues after voyage related costs such as bunker costs. However, lately the market has partly managed to absorb the increase in bunker prices with modest increases in freight rates.

Eitzen Chemical Index



The chemical industry is reporting significantly improved earnings, increased sales and has a positive outlook in general. The increased production of petrochemical products in the Middle East and Asia is likely to have positive consequences for the tonne-mile matrix for both chemical and product tankers. It is expected that the tonne-mile demand for seaborne chemical transportation will increase with 5-8 per cent this year, depending on the world's GDP growth. Furthermore, the fleet growth for chemical and product tankers between 3,000 and 60,000 dwt is expected to be limited going forward. As a consequence, the remaining oversupply is expected to be absorbed, giving rise to an increase in the global fleet utilization and a significant recovery in freight rates.

[2] *Source: CMAI, Presentation titled "World Petrochemical Market Outlook & Strategies to Survive the Downturn", 14 May 2009.*

Board of Directors' report

The unsustainable level and downturn in the chemical tanker market continued in 2011. Net loss for 2011 was USD 154.0 million, including impairment of USD 62.5 million, compared to a net loss of USD 113.8 million in 2010. Eitzen Chemical experienced a firmer market in the first half of 2011 relative to 2010, driven by positive signals for the global industrial production and improvement in the supply and demand balance in the chemical tanker market. However, the development into the second half of 2011 was negatively affected by the financial turmoil and increasing oil- and bunker prices. Consolidated Freight revenue in 2011 for Eitzen Chemical ASA was USD 426.0 million, compared to USD 374.2 million in 2010. EBITDA was USD 25.6 million, down from USD 27.1 million in the previous year.

During 2011 Eitzen Chemical has continued its focus on improving operating cash flow and fleet efficiency by further divesting non-core and underperforming vessels. However, when the debt moratorium period expires in November 2012, the Company is required to resume paying instalments on its debt obligations. The liquidity risk inherent in the Company's financial liabilities is considerable. Therefore, to ensure the Company's ability to address its financial obligations, the Company is currently evaluating its alternatives to ensure adequate liquidity shorter term as well as provide for longer term financial strength and flexibility.

In May 2011 Bjørn J. Sjaastad was elected as Chairman of the Board and Carl E. Steen as Board member. The new Board of Directors represents a strong combination of shipping, banking and financial experience. In the fourth quarter, Per Sylvester Jensen was promoted to President & Chief Executive Officer and Andreas Reklev has taken up the position as Chief Financial Officer, both representing continuity and considerable shipping experience.

The challenging market has continued into 2012. However, we have seen increased activity and higher fleet utilization in important trade lanes year to date. The reduced supply growth from deliveries of new chemical tankers is also positive for our business. Therefore, the Company believes in an improving chemical market and a positive trend through 2012. With a continued focus on operational performance, Eitzen Chemical should be well positioned when the market recovers.

Business summary

In the second half of 2011, the Company initiated a process to evaluate alternatives in order to improve its operating cash flow. As an integral part of this process, the Company on 21 November 2011 announced that it will discontinue as manager for the City Class (13,000 dwt IMO II vessels) and Team Tankers (IMO II MR vessels) Pools. The closure is scheduled to be completed during the first half of 2012. Earnings and cash flow on our own fleet within these ship classes are expected to increase as result of improved utilization. Eitzen Chemical has also continued to make several measures to improve operating cash flow by further divestment of non-strategic vessels in 2011.

Eitzen Chemical operates vessels ranging from 3,500 to 49,000 dwt, designed for the transport of IMO II classified chemical cargoes. As of 31 December 2011, the Eitzen Chemical fleet consisted of 53 vessels, of which 49 were owned or on finance lease and four were on operating lease. Two vessels were sold during 2011; the Sichem Sablon (4,864 dwt, 1991 built), the Sichem Castel (4,864 dwt, 1992 built). Four leased vessels were redelivered during 2011; the Sichem Peace (8,801 dwt, 2005 built), the Sichem Padua (9,902 dwt, 1993 built), the Sichem Pandora (9,214 dwt, 1994 built), and the Bertina (13,157 dwt, 2006 built). In addition, Eitzen Chemical operates 19 vessels for pool partners. Eitzen Chemical has one of the newest chemical tanker fleets in the world with an average age of seven and a half years. The vessels are commercially operated through offices in Denmark, Spain, USA and Singapore. Eitzen Chemical's headquarter is located in Norway.

The Company's 20 stainless steel vessels below 12,000 dwt primarily operate on regional trades servicing our customers in Europe, the Mediterranean and West Africa. This is an intensive industrial shipping operation with

several long running customer relationships. Through the City Class Pool, consisting of 35 vessels of around 13,000 dwt, of which the Company owns 15 vessels, Eitzen Chemical is primarily trading in Europe, in the Caribbean, US Gulf and Canada and to a certain extent in Asia. It is anticipated that following the winding down of the City Class Pool trading will be focused in the Atlantic basin.

The Company's ten vessels between 17,000 dwt and 30,000 dwt are trading in contract- and spot trades on a worldwide basis, with focus around the Middle East chemical exports. The IMO II MRs operates in global trades and are commercially managed through Team Tankers. At year end Team Tankers consisted of 8 vessels, of which the Company financially controls all eight. The operation of Team Tankers is based on a portfolio of Contracts of Affreightment (CoAs) in the commodity chemicals trade.

In addition to renewals of important existing contracts, some strategically important new contracts were entered into during 2011. The term business coverage, measured in number of days, is 34 per cent for 2012, with the CoA cover at 31 per cent and Time Charter cover at 3 per cent. The total contract cover was fairly stable through 2011. However, the CoA cover has increased from 20 per cent at the beginning of 2009, in line with the Company's strategy. The quantity and number of liftings under the CoAs increased during 2011, resulting in increased revenues from the CoAs.

Eitzen Chemical experienced a positive market undertone going into 2011. The seasonal stronger market US Gulf to Asia usually seen towards the end of each year, continued into the first quarter of 2011. However, this market experienced a softer undertone and downward pressure on freight rates towards the end of the first quarter. The important Arabian Gulf export market experienced stronger export volumes and higher freight rates. The long haul palm oil and bio diesel shipments from South East Asia to the Atlantic increased, and freight rates paid for MR sized shipments improved. Towards the summer all markets experienced a softer undertone, and freight rates decreased accordingly. As the European sovereign debt crisis evolved during the third quarter, decreasing volumes, both CoA and spot, resulted in weaker time charter earnings. The Middle East market was particularly weak with significant decrease in export volumes, partly explained by the local holidays and plant turn around. Furthermore, drawdown of inventories also negatively influenced the short term demand. The short sea markets in Europe were weak during the third and in to the fourth quarter, before seeing a market improvement in shipment volumes towards the end of the year. The year ended with significantly stronger rates in all markets, while high bunker prices continued to prevent improvements in net returns.

The continuing very high bunker price is an area of concern, with high oil prices continuing into 2012. The corresponding increase in voyage costs, even if partly compensated for by our customers, makes it more challenging to experience developments of net freight rates towards more sustainable levels. The average bunker price in 2011 was about USD 618 per ton, and the bunker prices have risen from around USD 200 per ton at the beginning of 2009 to above USD 700 per ton in the first quarter of 2012.

The chemical tanker market is still negatively impacted by the extensive deliveries of new tonnage during the past several years. However, we experience that the demand for chemicals and the seaborne transportation of chemical products is improving, driven by strong demand from China and other emerging Asian economies. The supply side is also improving with less than 10 per cent of current fleet on order and about a 3 per cent fleet growth in 2012, and less in 2013 and 2014 based on current known orders. Although the world macroeconomic indicators are uncertain, Eitzen Chemical believes that with the improvements on the supply side, the market should strengthen in 2012.

Financial review

Consolidated freight income for the Company in 2011 was USD 426.0 million compared to USD 374.2 million in 2010. Freight income on T/C basis was USD 200.6 million up from USD 196.4 million in 2010. EBITDA amounted to USD 25.6 million, compared to USD 27.1 million in 2010. The operating result (EBIT) for 2011 was negative USD 110.8 million compared to negative USD 59.4 million in the previous year. Net financial items for 2011 were

negative USD 40.7 million, of which interest expenses were USD 43.7 million. Net loss for the year was USD 154.0 million compared to a net loss of USD 113.8 million in 2010.

As of 31 December 2011, Eitzen Chemical's total assets were USD 1,149.6 million. The Company has performed an impairment test at year-end. Based on the current weak chemical tanker market the Company has recognized an impairment of USD 62.5 million. The book value of the Company's vessels decreased by USD 143.8 million in 2011, reflecting depreciation, impairment charge of USD 62.5 million, the sale of two vessels and the redelivery of one vessel held under finance lease. Total fleet book value was USD 995.1 million as of 31 December 2011. Total interest bearing debt per 31 December 2011 was USD 973.3 million down from USD 1,022.8 million at the beginning of the year.

Cash and cash equivalents amounted to USD 66.8 million, a decrease of USD 5.3 million during the year. In 2011, Eitzen Chemical had a net cash flow from operating activities of USD 16.9 million. Net cash flow from investing activities was negative USD 16.6 million. Net cash flow from financing activities amounted to negative USD 4.2 million.

Eitzen Chemical has in 2011 completed an offering of new shares raising USD 52.9 million in net proceeds. Total equity at the end of the year was USD 104.1 million, down from USD 205.4 million in 2010. As of 31 December 2011 the book equity ratio (total book equity divided by total assets) was 9 per cent, compared to 16 per cent at the end of 2010. The total number of shares outstanding was 1,128,022,323 at year end. The Company holds 1,010,000 treasury shares. Eitzen Chemical's market capitalization was USD 30.1 million on 31 December 2011 compared to USD 235.6 million at year end 2010.

Capital resources and investments

The Company is currently in a debt moratorium period with its banks. When the debt moratorium period expires in November 2012, the Company is required to resume paying instalments on its debt obligations. The liquidity risk inherent in the Company's financial liabilities is considerable. Eitzen Chemical remains confident that the chemical tanker market eventually will benefit from improved market fundamentals and fully recover. However, to ensure its ability to address its financial obligations the Company is evaluating its alternatives to ensure adequate liquidity shorter term as well as provide for longer term financial strength and flexibility. As announced on 16 January 2012, the Company has retained ABG Sundal Collier Norge ASA as financial advisor to assist in this respect. This process is ongoing.

There is also significant risk associated with the current leverage of the Company if the current weak chemical tanker market continues. Assessing measures to strengthen the balance sheet is an integrated part of the current process of evaluating the Company's alternatives to achieve longer term financial strength and flexibility.Total interest bearing debt per 31 December 2011 was USD 973.3 million down from USD 1,022.8 million at the beginning of the year. Total interest bearing debt includes USD 667.4 million drawn on bank facilities and USD 105.9 million related to the bond loan. Total interest bearing debt also includes USD 200.0 million related to finance lease obligations, of which USD 104.1 million is the potential payment if the Company declares its right, but not obligation, to purchase the vessels from its owners on certain dates in the leasing period.

As of 31 December 2011, Cash and cash equivalents amounted to USD 66.8 million. The Company has a cash covenant which requires that Eitzen Chemical (on a consolidated basis) shall maintain cash and cash equivalents for an amount equal to or greater than USD 40 million in 2012 and until maturity. The Company was in compliance with all its financial covenants as at 31 December 2011.

With challenging conditions prevailing in the chemical tanker market, Eitzen Chemical has since 2009 focused on improving its financial situation. In 2009 the Company restructured its bank and bond debt which included extension of the final maturities till 2014. The Company is not committed to pay any fixed bank instalments until the fourth quarter of 2012, with a possible variable debt amortization depending on Eitzen Chemical's financial performance. From November 2012 to maturity in July 2014, ordinary fixed quarterly instalments will apply to the

bank loans. In addition to the debt restructuring in 2009, the Company has raised a total of USD 185 million in two equity issues, in November 2009 and April 2011, respectively.

Eitzen Chemical invested a total of USD 19.9 million in 2011, mainly relating to upgrading and docking of vessels, compared to total investments of USD 15.5 million in the previous year. Proceeds from sale of assets were USD 2.8 million in 2011. At year end 2011 the Company has no newbuilding vessels on order and therefore no outstanding capital commitments.

Based on the above and pursuant to Section 3-3a of the Norwegian Accounting Act, the Board confirms that the going-concern assumption applies and that the annual accounts have been prepared on the basis of this assumption.

Financial risk

In the fourth quarter of 2011, the Company started the process to evaluate its alternatives to ensure adequate liquidity shorter term as well as provide for longer term financial strength and flexibility.(refer to "Capital resources and investments" above for further information). It is further the Company's strategy to maintain sufficient liquidity to cover the Company's payment obligations at least one year ahead.

Market conditions for shipping activities are typically volatile and results may vary considerably from year to year. Furthermore, vessels and cargoes are subject to perils particular to marine operations, including capsizing, grounding, collision, piracy, and loss or damage from severe weather conditions. Such circumstances may result in damages to property, the environment or persons and expose the company to loss or liability. In addition, the Company is exposed to a number of different financial market risks arising from the normal business activities. Additional risks not presently known to the Board of Directors, or considered immaterial at this time may also impair its business operations and prospects.

Fluctuations in freight rates and bunker fuel prices are key factors affecting the cash flow and the value of our assets. The fluctuation in freight rates is to some extent reduced by the Company's portfolio of CoAs and time-charters. The Company seeks to reduce the exposure to fluctuating bunker fuel prices through compensation clauses in contracts with costumers. On CoAs where this is not possible, the Company utilizes commodity based derivates to reduce the bunker exposure. The Company does not hedge the bunker risk related to its spot market exposure. Over time, freight rates should adjust to reflect changes in bunker expenses. However, this adjustment tends to lag in time.

Interest and exchange rate risks are significant financial risks for Eitzen Chemical. Management periodically review and assess the primary financial market risks. The risks are managed on a group portfolio level in accordance with strategies, policies and authorization defined by the Board of Directors. Eitzen Chemical have used and will continue to use financial derivates to manage such risks when considered appropriate. At the end of 2011 approximately 80 per cent of our interest bearing debt carried floating interest rates. The Company currently pays floating interest rates on its bond and bank debt, while the Company's leasing obligations have fixed rates.

Eitzen Chemical's revenues are predominately in USD. Portions of our operating expenses and general and administrative expenses are denominated in non-USD currencies, mainly DKK, NOK, EUR and SGD. Interest bearing debt is mainly in USD. However, the Company's outstanding bond loan has one NOK tranche. Some of the purchase options on leased vessels are in JPY.

Health, safety and environment

The safety and well-being of our employees has our highest priority. Eitzen Chemical aims to continuously provide and enhance healthy, high-quality working conditions, both onshore and onboard vessels. The Company has outsourced crewing and technical management. Eitzen Chemical has a fleet management department responsible for monitoring the Health, Safety, Environment and Quality performance of the technical managers.

Attracting and retaining qualified seafarers remains an area of strategic importance for Eitzen Chemical, and the Company is executing a comprehensive crewing strategy in close cooperation with our technical managers. The objective is to strengthen Eitzen Chemical's brand and image in selected national pools while exploiting the strong presence and position that the individual technical manager has established regionally.

During 2011 the Company achieved a further improvement of retention rate for officers, measured at 88 per cent according to Intertanko's standard. To ensure a continued flow of dedicated and qualified officers, Eitzen Chemical, in close cooperation with our technical managers, is engaged in the continued training of seafarers and education of cadets and has around 45 cadet positions onboard our vessels. The Company will further develop and execute on the crewing strategy and the implementation of crew welfare initiatives in order to continue improving officers' retention rate and maintaining a challenging and motivating work place creating a top performing vessel.

The Lost Time Injury Frequency (LTIF) was 1.06 per million working hours in 2011 for crews on Eitzen Chemical operated vessels. Absence due to illness for onshore employees was 1.4 per cent in 2011. For shore-based employees, no work-related injuries were reported during the year.

Over the last few years there has been a rise in acts of piracy, especially in the Gulf of Aden. The development is of great concern and therefore our technical managers have adopted best management practices consistent with the industry standards and under suggestion by Intertanko and OCIMF to deter piracy. All of our vessels are registered with the EU Naval Force (Maritime security centre) which co-ordinates vessel's transit schedules with the appropriate naval vessels in the Gulf of Aden and Somali basin as well as schedules all group transits through the Gulf of Aden. Depending on the present conditions and individual risk factors for the particular vessel, preventive measures are being evaluated for each transit according to Eitzen Chemical piracy policy.

Eitzen Chemical is aware of its environmental responsibility and we strive to comply with and maintain high standards in order to reduce the environmental impact from our operations. The technical managers are certified with Environmental Management Systems Certificate ISO 14001 as well as ISO 9001:2000. The certificates are issued by the classification society and establish environmental standards and implementation routines. Continuous efforts are made in order to reduce the general waste produced by the vessels and to dispose of waste onshore in a controlled manner at approved port waste reception facilities. The fleet complies with the IMO recommendations on waste management. Pollution by invasive species carried with ballast water has become an important issue. All the ships have ballast water management systems in place. The company has further started preparing its vessels to install ballast water treatment systems in line with new regulations entering into force. The Company has invested additional funds in new vessels, meeting requirements that refrigeration and air-conditioning systems in the vessels be upgraded to R404 refrigeration gas, which is CFC free.

Exhaust fumes from the vessels' engines account for the main part of the air pollution generated by the Company's operations. All vessels contracted after 2005 are compliant with NOX emissions requirements. The modern Siteam class of vessels from Trogir meets all the criteria of the Lloyd's Register Environmental Protection Notation. This notation covers a diversity of subjects ranging from air pollution to sea water pollution. To further limit air pollution, the smaller vessels have been built fully compliant with current regulations on NOX and SOX emissions and are also built to be able to further reduce SOX emissions. Eitzen Chemical conducts improvement projects and testing aimed at reducing our environmental impact, including hull cleaning and propeller polishing in addition to testing of fuel additives for improved combustion, both aimed at reducing fuel consumption and air pollution.

Human resources and diversity

New senior management is in place following the resignation of the former President and Chief Executive Officer and Chief Financial Officer in the fourth quarter of 2011. They were respectively succeeded by Per Sylvester Jensen, previously Chief Operating Officer of Eitzen Chemical, and Andreas Reklev, previously Chief Financial Officer of Eitzen Maritime Services ASA and Jason Shipping ASA, the Company's largest shareholder. New senior management represent continuity and considerable shipping experience.

Further, as a result of reduced activity due to the discontinuation of Eitzen Chemical as pool manager, certain onshore employees were given notices of termination in November 2011.

At the Annual General Meeting held on 9 May 2011, Bjørn J. Sjaastad was elected Chairman of the Board of Directors and Carl E. Steen was elected member of the Board. The new Board of Directors represents a strong combination of shipping, banking and financial experience.

Four out of five members of the Board of Directors are independent of Eitzen Chemical's largest shareholder, Jason Shipping ASA.

As of year-end 2011, Eitzen Chemical had 1,340 crew members employed on its vessels. In addition, the Company had 87 employees onshore.

We value our employees as our key resource. Eitzen Chemical will continue to focus on attracting and keeping the best qualified and motivated employees. Eitzen Chemical is a global organization with a diversified working environment in which employment, promotions, responsibility and job enrichment are based on qualifications and abilities, and not on gender, age, race and political or religious views.

Eitzen Chemical believes in equal opportunity for men and women in the workplace. However, the shipping business is historically male-dominated. Female representation among employees therefore remains low and accounts for approximately 26 per cent of the onshore work force. At senior management level, there are currently no women represented. The Board complies with the 40 per cent gender requirement for Board of Directors stipulated by Norwegian law.

Eitzen Chemical focuses on transparency in its business practices, supports free enterprise and seeks to compete in a fair and ethical manner. The Board of Eitzen Chemical has approved a Code of Conduct defining the Company's ethical standards.

Corporate governance

The Board of Eitzen Chemical is committed to developing a strong, sustainable and competitive company in the best interest of the shareholders, employees, customers, creditors, business associates, third parties and society at large. The Board of Directors and Management aim for a controlled and profitable development and long-term creation of growth through well-founded governance principles, operational procedures and risk management.

The responsibility and working procedures of the Board are regulated by Instructions for the Board of Directors of Eitzen Chemical ASA, Eitzen Chemical's Corporate Governance policy and the Company's Code of Conduct. The Board acknowledges the Norwegian Code of Practice for Corporate Governance and will work on implementing this Code, using the guidelines as recommendations for the board's governance duties. For more detailed information see the Corporate Governance principles included in the annual report.

Parent company

The Board proposes that the net loss of NOK 1,029.8 million for the parent company and accumulated loss of NOK 5,115.8 million is attributed to the Company's Share Premium and Other paid in capital. The loss in 2011 relates to impairment charges of NOK 1 051.8 million on financial assets. Total equity for the parent company as at 31 December 2011 is NOK 608.1 million. The unrestricted equity available for distribution as of 31 December 2011 is zero. Consequently, the Board will propose to the annual general meeting in 2012 that no dividend will be distributed for the financial year of 2011. Total assets as of 31 December 2011 amounts to NOK 1,289.7 million, compared to NOK 2,026.7 million as of 31 December 2010. Total cash and cash equivalents amount to NOK 216.0 million as of 31 December 2011, compared to NOK 304.4 million the previous year.

Strategy
Eitzen Chemical's objective is to be a leading company within the marine transportation of chemicals and related products, through the commercial management and ownership of a diversified chemical carrier fleet. Eitzen Chemical's strategy is to enhance its position as an industrial carrier of chemical products, thereby enabling the Company to transport more sophisticated and higher paying cargoes. Eitzen Chemical will continue to increase its contract cover over time, with due attention given to where we are in the market cycle.

Outlook
As announced on 16 January 2012, the Company has retained ABG Sundal Collier Norge ASA as financial advisor to assist the Company in the ongoing process to strengthen the Company's financial position. The Company is confident that it will succeed in its recapitalization strategy. However, if the current weak market continues and no solution can be found there are significant uncertainties linked to Eitzen Chemical's sustainability in the present form.

The Company expects a moderate improving market and a positive trend through 2012. One of the risks to this scenario are the increasing oil- and bunker prices which could give less improvement in activity and net results, than otherwise achievable.

World GDP growth and industrial production in most parts of the world has picked up from the low point in 2009, which has increased demand for chemicals and the seaborne transportation of same. The chemical industry has a positive outlook for demand for their products and is adding new production capacity which is a good sign for our business. The increased production of petrochemical products in the Middle East and Asia is likely to have positive consequences for the tonne-mile matrix for both chemical and product tankers.

The remaining orderbook for product and chemical tankers (tankers below 60,000 dwt) is about 11 per cent of the fleet, down from 55 per cent at the peak in 2008. In 2011, total deliveries of newbuildings were 6 million dwt, with scrapping of 2 million dwt, i.e. a net fleet growth of 4 million dwt, or 3.7 per cent, compared to 4.9 per cent in 2010 and 10.4 per cent in 2009. The industry expects a net annual fleet growth of approximately 3 per cent in 2012 and 2 per cent in 2013, depending on scrapping. It is expected that the tonne-mile demand for seaborne chemical transportation will increase with 5-8 per cent this year, depending on the world's GDP growth. Hence, the development of the supply and demand balance is expected to continue being positive. When the remaining oversupply of chemical tankers has been absorbed, the chemical tanker market should see a significant recovery, both in rates and second hand values.

Forward looking statement
This report contains forward looking statements. These statements are based upon various assumptions. Although Eitzen Chemical believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control. No assurance can be given that the Company will be able at all times to be in compliance with all of its financial covenants towards its finance providers or to agree such necessary arrangements to timely secure full compliance with the terms of the agreements with its lenders. Such arrangements might require discussions with, amongst others, the Company's lenders and such discussions might not be concluded and agreed in a timely manner, if at all. Eitzen Chemical cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Oslo, 23 March 2012

The Board of Directors of Eitzen Chemical ASA

Bjørn Johan Sjaastad
Chairman of the Board

Carl Erik Steen

Aage Rasmus Bjelland Figenschou

Helene Jebsen Anker

Heidi Marie Petersen

Per Sylvester Jensen
Chief Executive Officer

Consolidated Income Statement

(USD '000, except per share data)

	Note	2011	2010
Freight revenue	3	426 039	374 163
Voyage expenses	5	-225 465	-177 771
Freight income on T/C basis		**200 574**	**196 392**
Management fees and other income	6	5 654	5 253
Gross profit		**206 228**	**201 645**
Ship operating expenses	7	-123 144	-125 618
Charterhire expenses	4,20	-31 979	-25 523
General and administrative expenses	8	-25 505	-23 437
EBITDA (Earnings before interest, taxes, depreciation and amortisation)		**25 600**	**27 066**
Impairment	12	-62 510	-
Depreciation and amortisation	12,13	-77 586	-83 799
Gain/(loss) on sale of assets	12	3 661	-2 683
EBIT (Earnings before interest and taxes)		**-110 835**	**-59 415**
Interest income	9	453	659
Interest expenses	9	-43 683	-44 424
Other financial items	9	2 566	-13 747
Profit (loss) before taxes		**-151 499**	**-116 926**
Income tax expense	10	-2 530	3 160
Net profit (loss)		**-154 029**	**-113 767**
Attributable to owners of the parent		-154 029	-113 767
Basic/diluted earnings per share	11	-USD 0.16	-USD 0.15

Consolidated Statement of Comprehensive Income

(USD '000)

	2011	2010
Net profit (loss)	**-154 029**	**-113 767**
Other comprehensive income		
Net gain (loss) on derivatives	-	5
Value adjustment of hedging instruments net of tax	**-**	**5**
Foreign currency translation differences	-625	-617
Other comprehensive income net of taxes	**-625**	**-612**
Total comprehensive income for the year net of taxes	**-154 654**	**-114 379**
Attributable to the equity holders of the parent	**-154 654**	**-114 379**

Consolidated Statement of Financial Position

(USD '000)

	Note	31.12.2011	31.12.2010
ASSETS			
Deferred tax assets	10	-	2 595
Intangible assets	13	-	3 837
Vessels	12	759 500	853 698
Vessels held under finance leases	12	235 637	285 252
Other equipment	12	419	568
Other non-current assets		2 000	6 038
Total non-current assets		**997 556**	**1 151 988**
Trade and other receivables	15	62 375	59 463
Inventories		20 457	17 907
Derivative financial instruments	21	169	165
Other current assets		2 235	4 742
Cash and cash equivalents	16	66 826	72 121
Total current assets		**152 062**	**154 398**
TOTAL ASSETS		**1 149 618**	**1 306 386**
EQUITY AND LIABILITIES			
Share capital		148 037	128 279
Share premium		20 550	19 458
Treasury shares		-116	-155
Other paid in equity		631 440	598 963
Total paid in capital	17	799 911	**746 545**
Retained earnings		-705 365	-551 336
Other reserves		9 600	10 225
Total equity	17	**104 146**	**205 435**
Interest-bearing loans and borrowings	19	761 666	777 284
Obligations under finance leases	19,20	186 587	216 911
Other non-current liabilities	4	-	3 124
Pension obligations	14	562	759
Total non-current liabilities		**948 815**	**998 078**
Trade and other payables	18	70 786	70 720
Current portion of interest-bearing loans and borrowings	19	11 669	260
Current portion of obligations under finance leases	19,20	13 406	28 340
Income tax payable	10	21	114
Other current liabilities	4	775	3 439
Total current liabilities		**96 657**	**102 873**
Total liabilities		**1 045 472**	**1 100 951**
TOTAL EQUITY AND LIABILITIES		**1 149 618**	**1 306 386**

Consolidated Cash Flow Statement

(USD '000)

	Note	2011	2010
Profit/(loss) before taxes		-151 499	-116 926
Non-cash adjustment			
(Gain)/loss on sale of assets		-3 661	2 683
Depreciation and amortisation	12,13	77 586	83 799
Impairment	12	62 510	-
Share-based incentive expense	8	446	618
Amortised borrowing cost		2 448	2 455
Interest expenses		41 235	41 969
Interest income		-453	-659
Foreign currency (gain)/loss		-5 794	13 231
Other changes and changes in provisions		732	-451
Change in pension funds	14	-162	-509
Working capital adjustments			
Change in current assets		-3 314	-6 854
Change in current liabilities		-3 170	3 031
Taxes paid		-22	926
Net cash flow from operating activities		**16 882**	**23 312**
Proceeds from sale of vessels		2 821	5 847
Payments on vessels	12	-19 871	-15 453
Interest received		489	884
Net cash flow from investing activities		**-16 561**	**-8 722**
Proceeds from borrowings		416	19 700
Repayment of borrowings		-17 819	-39 502
Interest paid		-39 706	-43 572
Net proceeds from share issuance		52 919	-
Net cash flow from financing activities		**-4 191**	**-63 374**
Net change in cash and cash equivalents		**-3 868**	**-48 784**
Effect of exchange rate changes on cash		-1 427	-1 222
Cash and cash equivalents at the beginning of period		72 121	122 127
Cash and cash equivalents at 31 December *	16	**66 826**	**72 121**

* Whereof USD 1.1 million is restricted (2010: MUSD 0.4). See also note 24.

Consolidated Statement of Changes in Equity

(USD '000)

2011	Attributable to equity holders of the parent company										
	Paid in capital					Other reserves					
	Share capital (Note 17)	Share premium	Employee benefit reserve	Treasury shares (Note 17)	Other paid in equity	Retained profits/ losses	Reva-luation reserve	Hedging reserves	Trans-lation reserves	Total other reserves	Total
At 1 January 2011	**128 279**	**19 458**	**1 145**	**-155**	**597 818**	**-551 336**	**3 406**	**-**	**6 819**	**10 225**	**205 435**
Profit (loss) for the period	-	-	-	-	-	-154 029	-	-	-	-	-154 029
Other comprehensive income	-	-	-	-	-	-	-	-	-625	-625	-625
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-154 029**	**-**	**-**	**-625**	**-625**	**-154 654**
Reduction of share capital (Note 17)	-32 070	-	-	39	32 031	-	-	-	-	-	-
Issue of share capital (Note 17)	51 827	3 455	-	-	-	-	-	-	-	-	55 282
Transaction costs	-	-2 363	-	-	-	-	-	-	-	-	-2 363
Share-based payment (Note 8)	-	-	446	-	-	-	-	-	-	-	446
At 31 December 2011	**148 037**	**20 550**	**1 591**	**-116**	**629 849**	**-705 365**	**3 406**	**-**	**6 194**	**9 600**	**104 146**

2010	Attributable to equity holders of the parent company										
	Paid in capital					Other reserves					
	Share capital (Note 17)	Share premium	Employee benefit reserve	Treasury shares (Note 17)	Other paid in equity	Retained profits/ losses	Reva-luation reserve	Hedging reserves	Trans-lation reserves	Total other reserves	Total
At 1 January 2010	**128 279**	**19 458**	**527**	**-155**	**597 818**	**-437 569**	**3 406**	**-5**	**7 436**	**10 837**	**319 195**
Profit (loss) for the period	-	-	-	-	-	-113 767	-	-	-	-	-113 767
Other comprehensive income	-	-	-	-	-	-	-	5	-617	-612	-612
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-113 767**	**-**	**5**	**-617**	**-612**	**-114 379**
Share-based payment (Note 8)	-	-	618	-	-	-	-	-	-	-	618
At 31 December 2010	**128 279**	**19 458**	**1 145**	**-155**	**597 818**	**-551 336**	**3 406**	**-**	**6 819**	**10 225**	**205 435**

Employee benefit reserve
The employee benefits reserve is used to record the value of the Company's share-based incentive program. Refer to Note 8 for further details of the plans.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries in foreign currencies.

Treasury shares
The treasury shares are used to record purchase of own shares. The Company has 1 010 000 treasury shares. See Note 17 for further details.

Revaluations reserve
The revaluation reserves are used to record step by step revaluation in connection with purchase of subsidiary.

Notes to the Financial Statements

Note 1 - Corporate information

Eitzen Chemical ASA (Eitzen Chemical or the Company) is a public limited liability company incorporated and domiciled in Norway which shares are listed on Oslo Stock Exchange. The address of the domicile is Ruseløkkveien 6, P. O. Box 1794 Vika, 0122 Oslo, Norway. The principal activities of Eitzen Chemical are described in the Board of Directors' report. The consolidated financial statements of Eitzen Chemical for 2011 were approved by the Board of Directors (the Board) and the Chief Executive Officer (CEO) on 23 March 2012, and will be presented for approval at the Annual General Meeting in the second quarter of 2012.

Note 2.1 - Basis of preparation

The consolidated financial statements for Eitzen Chemical and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The consolidated financial statements have been prepared on a historical cost basis, except for financial assets and liabilities held for trading and all financial assets that are classified as available for sale. These financial assets and liabilities are measured at fair value. The consolidated financial statements are presented in US Dollars thousands (USD '000) except when otherwise indicated.

Going concern
The financial statements have been prepared based on the going concern assumption, which contemplates the realisation of assets and the liquidation of liabilities as part of the normal course of business. For additional information see Board of directors' report and notes 23 and 24.

Basis of consolidation
The consolidated financial statements comprise the financial statement of Eitzen Chemical and its subsidiaries at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent policies. The consolidated financial statements include the parent company Eitzen Chemical ASA and undertakings in which the parent company directly or indirectly holds more than 50 per cent of the share capital, has corresponding voting rights, or otherwise has an actual controlling interest.

Subsidiaries acquired during the year are included in the consolidated financial statement from the date on which control is transferred to Eitzen Chemical, and subsidiaries sold are included up to date the control ceases. The purchase price of the shares is based on the contractual price. Transaction costs directly related to the acquisition are expensed. All Group balances, and profits and losses resulting from intercompany transactions are eliminated.

Note 2.2 - Significant accounting judgments, estimates and assumptions

Certain of our accounting principles require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates that affect the reported amounts of assets, liabilities, revenues, expenses and information on potential liabilities. By their very nature, these judgments are subject to an inherent degree of uncertainty. These judgments and estimates are based on historical experience, terms of existing contracts, observation of trends in the industry, information provided by customers and where appropriate, information available from other sources. Although these estimates are based on management's interpretations of current events and actions, future events may lead to these estimates being changed and actual results may ultimately differ materially from those estimates. Such changes will be recognized when new estimates can be determined.

Judgments
In the process of applying Eitzen Chemical's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the financial statements.

Impairment
The Company has defined the whole fleet as one Cash Generating Unit (CGU) as the vessels are operated as a portfolio and each vessel is dependent of each other. An individual vessel can be chartered on behalf of several clients and trade lanes throughout the world. There is no vessel that is defined for a specific type of cargo or trade within a particular geographical area. Refer to note 12 for further information on the impairment assessment.

Operating versus finance lease agreements
Based on the content of leasing agreements, Eitzen Chemical determines if this is considered as an operating or a finance lease agreement. In this determination, assumptions are made and if the same assumptions were judged differently, it could have an effect on the income statement and the statement of financial position. One of the most significant judgments is the forecasted future market value of the leased vessel at the dates when the purchase option is expected to be declared. The Company has in 2011 updated the estimated option exercise dates (refer to note 20).

Deferred tax
In connection with business combinations, provisions for deferred tax are based on the judgment of the type of the investment and purchase price allocation. The tax positions in the income statement and balance sheet could be effected if judged differently. Deferred tax assets relating to loss carried forward are recognized to the extent that it is probable that the asset can be utilized within a reasonable period. Refer to note 10 for further information on deferred tax assets.

Estimates and assumptions
Management has made estimates and assumptions which have significant effect on the amounts recognised in the financial statements. In general, accounting estimates are considered significant if:

- the estimates require assumptions about matters that are highly uncertain at the time the estimates are made
- different estimates could have been used
- changes in the estimates have a material impact on Eitzen Chemical's financial position

Carrying amount of vessels, depreciation and residual values
In addition to the purchase price, the carrying amount of vessels is based on management's assumptions of useful life and residual value of the vessels. Useful life may change due to change in technological developments, competition, environmental and legal requirements, freight rates and steel prices.

The residual value of the vessel is calculated as the light weight of the vessel multiplied with the estimated steel prices minus the estimated cost in connection with the scrapping. Residual values are challenging to estimate given the long lives of the vessels, the uncertainty as to future economic conditions and the future price of steel, which is considered as the main determinant of the residual price. Eitzen Chemical currently estimates residual value annually based upon the average steel price for the last five years.

Impairment
Management assesses whether there are any indicators of impairment for non-financial assets at each reporting date.

When value in use calculations are performed, management estimate the expected future cash flows from the assets or cash-generating unit and determine a suitable discount rate in order to calculate the present value of those cash flows. This will be based on management's evaluations, including estimating future performance,

revenue generating capacity, and assumptions of future market conditions and appropriate discount rates. Changes in circumstances and in management's evaluations and assumptions may give rise to impairment losses.

Onerous contracts
At each balance sheet date the Company assesses if there are contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received. A provision is recorded by estimating the present obligation under the contract.

Finance leases
Agreements to charter in vessels where Eitzen Chemical has substantially all risks and rewards of ownership, are recognised in the balance sheet as finance lease. Finance leased assets are measured at the lower of the fair value and the present value of minimum lease payments determined in the agreement. For the purpose of calculating the net present value, the interest rate implicit in the lease or the Company's incremental borrowing rate is used as a discount factor.

Provisions
Provisions are based on management's best estimate. Provisions are reviewed at each balance sheet date to reflect the best estimate of the liability.

Note 2.3 - Summary of significant accounting policies

Presentation and classification
Income statement
As permitted by IAS 1 the income statement is prepared based on a mix of nature and function, since this gives the most relevant presentation of the income statement.

Consolidated statement of financial position
Current assets and current liabilities include items due in less than one year from the balance sheet date, items used in the daily operation of the business and assets held primarily for the purpose of being traded. The current portion of long-term debt is classified under current liabilities. Classification of financial investments depends on the purpose of the investment: If the investment is strategically motivated it is classified as non-current, while financially motivated investments are classified as current.

Cash flow statement
The cash flow statement is prepared using the indirect method.

Participation in pools
Revenue and expenses, assets and liabilities from pool vessels are proportionately consolidated, based on the relative interest in the pools, calculated by a pool point system.

Revenue and expense
All voyage revenues and voyage expenses are recognised on a percentage of completion basis. Eitzen Chemical uses a discharge-to-discharge principle in determining the percentage of completion for all spot voyages and voyages under contracts of affreightment (CoA's). Under this method voyage revenue is recognised evenly over the period from the departure of a vessel from its original discharge port to departure from the next discharge port. For vessels without signed contracts in place at discharge no revenue is recognised before a new contract is signed. Voyage expenses incurred for vessels in the idle time are expensed. Revenues from time charters (T/C) and bareboat charters (B/B) accounted for as operating leases are recognised over the rental periods of such charters, as service is performed. Demurrage is included if a claim is considered probable. Losses arising from time or voyage charters are provided for in full when they become probable.

Other income
Management fee and other income are recognised at or during time of delivery.

Interest income
Revenue is recognised as the interest accrues using the effective interest method.

Vessels
Vessels are recorded at historical cost less accumulated depreciation and any accumulated impairment charges. Cost includes expenditures that are directly attributable to the acquisition of the vessels. The cost is decomposed into vessel, docking and coating.

Useful life, depreciation and residual value
All decomposed items are depreciated on a straight-line basis over the useful life of the separate item. Depreciation is based on cost less the estimated residual value. The residual value of the vessels is estimated as the lightweight tonnage of each vessel multiplied by scrap value per ton. The residual values of docking, coating and major improvements are estimated to nil. The residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end.

Impairment of non-financial assets
At each reporting date the Company assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. The recoverable amount is the highest of the fair market value of the asset, less cost to sell, and the net present value (NPV) of future estimated cash flow from the employment of the asset ("value in use"). The NPV is based on a discount rate according to a weighted average cost of capital ("WACC") reflecting the Company's required rate of return. The WACC is calculated based on the expected long-term borrowing rate and a risk free rate plus a risk premium for the equity. If the recoverable amount is lower than the book value, an impairment charge is recorded. Impairment losses are recognized in the profit and loss statement. Assets are grouped at the lowest level where there are separately identifiable independent cash flows. We have made the following assumptions when calculating the "value in use" for material tangible and intangible assets:

Future cash flows are based on an assessment of our expected time charter earning and estimated level of operating expenses for each type of vessel over the remaining useful life of the vessel. As the Eitzen Chemical vessels are interchangeable and the regional chemical tankers are integrated with the deep sea chemical tankers through a logistical system, all chemical tankers are seen together as a portfolio of vessels. In addition the pool of officers and crew are used throughout the fleet. Eitzen Chemical has a strategy of a total crew composition and how the crew is dedicated to the individual vessels varies. As a consequence, vessels will only be impaired if the total value of the fleet of vessels based on future estimated cash flows is lower than the total book value.

An impairment loss recognised in prior periods for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Derecognition
Components of vessels are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset is included in the income statement in the year it is derecognised.

Intangible assets
Customer relationships
Customer relationships acquired in a business combination are initially measured at cost. After initial recognition the customer relationships are measured at cost less accumulated amortisation. At each reporting date the Company assesses whether there is an indication that the asset may be impaired. As of 31 December 2011, all customer relationships are fully amortized.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date. Leases are classified as finance leases if the terms of the lease agreement transfers substantially all the risks and rewards incidental to ownership of an asset. All other leases are classified as operating lease.

Finance leases are capitalised at inception of the lease at the fair value of the leased vessel or, if lower, at the present value of the minimum lease payments. The corresponding lease obligation is recognised as a liability in the balance sheet. Lease payments are split between interest cost and reduction of the lease liability. Interest cost is recognized in the income statement.

Finance leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. For operating leases, the payments (time-charter hire or bare boat hire) are recognised as an expense on a straight line basis over the term for the lease.

Foreign currency translation
Functional currency
Each entity in Eitzen Chemical determines its own functional currency, and items included in the financial statements of each entity are measured using their functional currency. The functional currency is the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in US Dollars which is the group's presentation currency.

Transactions and balance sheet items
Transactions in foreign currencies are recorded in the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange prevailing at the balance sheet date. All differences are recognized in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Subsidiary companies in foreign currency
For foreign operations with functional currency other than the presentation currency of Eitzen Chemical (USD), balance sheet items are translated into USD at the rate of exchange at the balance sheet date, and income statements are translated at the weighted average exchange rate for the year. The exchange differences arising on the translation are recorded directly as other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

Investments and other financial assets
Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets. Financial assets classified at fair value through profit and loss are initially recognised at fair value. Other financial assets are initially recognised based on fair value plus directly attributable transaction costs. Eitzen Chemical determines the classification of its financial assets after initial recognition and, where allowed and appropriate, revaluates this designation at each financial year end. All purchases and sales of financial assets are recognised at the trade date i.e. the date that Eitzen Chemical commits to purchase the asset. Purchases or sales; are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Fair value
Fair value of assets that are actively traded in organised markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions with reference to the current market value of other similar instruments, discounted cash flow analysis or other valuation models.

From time to time the Company may enter into financial instruments in order to hedge a portion of its exposure to bunker prices. Fair value changes of the financial instruments are recognized through profit and loss under other financial items.

Amortised cost
Loans and receivables are measured at amortised cost and are computed using the effective interest method less any allowance for impairment. The calculation considers any premium or discount on acquisition and includes transaction cost and fees that are an integral part of the effective interest rate.

Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Eitzen Chemical provides money, goods or services directly to a debtor with no intention of trading the receivables.

Impairment of financial assets
Eitzen Chemical assesses at each balance sheet date whether an asset or portfolio of assets are impaired. A portfolio is the lowest levels for which there are separate identifiable cash flows (cash-generating units).

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not occurred) discounted at the financial asset's original effective interest rate i.e. the effective interest rate computed at initial recognition). If in subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Inventories
Inventories are valued at the lower of cost and net realisable value. Cost is determined as a first-in, first-out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Provisions
Provisions are recognised when Eitzen Chemical has a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation has to be settled and that a reliable estimate of the obligation can be made.

Share-based payment
Executive management participates in a share-based incentive program, where the employees are granted share options. The program does not provide the choice of cash settlement instead of shares. The fair value of the shares and options are measured at the grant date and is recognised in the income statement under General and

Administrative expenses over the vesting period. The fair value of the award program is calculated based on the Black-Scholes model.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker whom is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of directors.

Taxes
Income tax
Tax payable for the current and prior periods is measured at the amount paid or expected to be paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date. Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority, and are the basis for deferred tax assets for the Company. The Company's total deferred tax assets and liabilities are measured at the tax rates that are expected to apply at the time when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets made probable through prospective earnings, and which can be utilized against the tax reducing temporary differences are recognized as intangible assets. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. The carrying amount of the tax positions in local currency are translated to USD applying the rate of exchange at year-end. Eitzen Chemical's main shipping activity is in Singapore, Denmark and Norway. Eitzen Chemical has also taxable activities in the United States.

Income tax relating to items recognized directly in equity or other comprehensive income is recognized in equity and not in the income statement.

Singapore AIS tax scheme
The Company is granted the status of Approved International Shipping Enterprise (AIS) In Singapore. All qualified shipping income derived from the shipping activity is exempt from taxation for the duration of the AIS status. The AIS status has been granted for a period of ten years commencing November 2004. There is no tax on dividend paid from the Singapore companies to the parent companies in Singapore and Norway.

Danish tax scheme
The companies in Denmark are taxable according to the normal company tax scheme. The corporate tax rate is 25 per cent.

Norwegian tax scheme
The activities in Norway are taxable in accordance with the normal company tax scheme. The tax rate is 28 per cent.

US tax scheme
The commercial management activities are taxable in accordance with the normal tax scheme. The tax rate is approximately 35 per cent.

Note 2.4 - Changes in accounting policy and disclosures

(a) New and amended standards adopted by the group
The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2011.

- IAS 24 *Related Party Transactions (Amendment)*
  The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

- *Improvements to IFRSs*
  In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. These amendments were endorsed by the EU in February, 2011. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Group.
  - IFRS 7 *Financial Instruments — Disclosures*: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context. The Group reflects the revised disclosure requirements in Note 21.
  - IAS 1 *Presentation of Financial Statements*: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income maybe either in the statement of changes in equity or in the notes to the financial statements. The Group provides this analysis in the Consolidated Statement of Changes in Equity.

(b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2011 but not currently considered relevant to the group (although they may affect the accounting for future transactions and events)

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2011 or later periods.

- IAS 32 (amendment) *Classification of rights issues*, applies to annual periods beginning on or after 1 February 2010.
- IFRIC 19 *Extinguishing financial liabilities with equity instruments*, effective 1 July 2010.

- IFRIC 14 (amendment) *Prepayments of a minimum funding requirement*, effective for annual periods beginning 1 January 2011.
- *Improvements to IFRSs*
  The amendments to the following standards resulting from IASB's third omnibus of amendments to its standards did not have any impact on the accounting policies, financial position or performance of the Group:
  - IFRS 3 *Business Combinations* (Contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008))
  - IFRS 3 *Business Combinations* (Measurement of non-controlling interests (NCI))
  - IFRS 3 *Business Combinations* (Un-replaced and voluntarily replaced share-based payment awards)
  - IAS 27 *Consolidated and Separate Financial Statements*
  - IAS 34 *Interim Financial Statements*
  - IFRIC 13 *Customer Loyalty Programmes (determining the fair value of award credits)*

(c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted. The adoption of these standards are not expected to have a material effect on the Company's consolidated financial statements

- (amendment to IFRS 7), issued in October 2010. The amendment is not applicable for annual periods beginning before 1 July 2011 but is available for early adoption.
- IFRS 9 *Financial instruments*, issued in November 2009. The standard is not applicable until 1 January 2013, subject to endorsement by the EU. There is further a proposal to adjust the mandatory effective date to 1 January 2015. The Company has not yet fully assessed the impact of IFRS 9.

Note 3 - Segment information

The Company and the chief operating decision maker ("CODM") measure performance based on the Company's overall return to shareholders based on consolidated net income. The CODM does not regularly review a measure of operating result at a lower level than the consolidated group. Consequently, the Company has only one reportable segment: chemical tankers.

(USD '000)

	2011	2010
Freight revenue	426 039	374 163
Voyage expenses	-225 465	-177 771
Freight income on T/C basis	**200 574**	**196 392**
Management fees and other income	5 654	5 253
Gross profit	**206 228**	**201 645**

The Company's management does not evaluate performance by geographical region. The Company does not have any counterpart that contributes to more than 10 per cent of the total operating revenues.

Note 4 - Onerous contracts

As at 31 December 2011 a USD 0.7 million provision (2010: USD 6.2 million) is recorded on contracts which are expected to generate a loss as the cost of the contracts exceeds the expected future revenues. The provision as of 31 December 2010 was reversed in 2011 as the related vessels were redelivered in the third quarter of 2011.

Note 5 - Voyage expenses

(USD '000)

	2011	2010
Bunker expenses	156 772	116 127
Port expenses	59 101	52 663
Other voyage expenses	9 592	8 982
Total	**225 465**	**177 771**

Port expenses include pilotage, towage, agency fee, survey, stevedoring and cleaning.

Note 6 - Management fee and other income

(USD '000)

	2011	2010
Management fee from pools	5 353	4 856
Other	301	397
Total	**5 654**	**5 253**

Note 7 – Ship operating expenses

(USD '000)

	2011	2010
Crew expenses	58 262	59 475
Technical expenses	31 005	32 095
Other expenses (insurance, fees, etc)	33 877	34 048
Total	**123 144**	**125 618**

Note 8 - Other specifications to the income statement

(USD '000)

Employee benefits expense

	2011	2010
Included in ship operating expenses:		
Wages and salaries, seafarers	43 703	45 073
Social security costs, seafarers	835	1 012
Total	**44 538**	**46 086**
Included in General and administrative expenses:		
Wages and salaries	13 569	12 563
Social security costs	1 298	1 491
Pension costs (Note 14)	523	-120
Share incentive programme	446	618
Total	**15 836**	**14 552**

The average numbers of seafarers were approximately 1460 in 2011 (2010: 1,580). The average numbers of onshore employees were 81 in 2011 (2010:81).

Remuneration

	2011	2010
Chief Executive Officer:		
Remuneration *	775	650
Pension	106	89
Bonus	-	99
Key Management personnel:		
Remuneration *	2 018	1 696
Pension	164	84
Bonus	-	234
Total compensation paid to the CEO and Key Management personnel	**3 063**	**2 852**
The Board of Directors	306	273
Total remuneration	**3 370**	**3 125**

* Included in the remuneration for 2011 are the net termination expense of USD 0.2 million related to the resignation of the CEO and CFO. The CEO and CFO had six months termination notice.

See also note 2 in parent company for remuneration to key employees.

Compensation to the Board

The compensation to the Board is determined on a yearly basis by the Company in its annual general meeting. Refer to note 2 in parent company for further information.

In addition to the Board of Directors remuneration, board member Aage Rasmus Bjelland Figenschou was engaged by the Company as a consultant and received payment of USD 25 thousand in the first half of 2011 and USD 67 thousand in 2010 for services provided. In 2011, the Chairman of the board, Bjørn J. Sjaastad, was engaged by the Company as a consultant and received payment of USD 131 thousand.

Benefits upon termination of employment
Executive management have termination compensation built into their contracts of employment. Compensation varies between 3 to 9 months for members included in executive management. Executive management currently consist of five people.

Bonus agreement
The Company has established a discretionary bonus scheme for key employees which is based on an evaluation of the Company's and the employee's performance.

Employee share option program
The purpose of the Company's share option program is to attract, retain and motivate key management personnel and to better align their interests with those of the shareholders.

Eitzen Chemical has used the Black & Scholes option pricing model based on the exercise price. The assumptions underlying the calculation of the grant date fair values are as follows:

Input to Black & Scholes	2010	2011	2012
Dividend yield (%)	0.0 %	0.0 %	0.0 %
Expected volatility (%)	30.0 %	30.0 %	30.0 %
Risk-free interest rate (%)	2.2 %	2.4 %	2.8 %
Expected life of option (years)	1.0	2.0	3.0
Weighted average share price (NOK)	1.9	1.9	1.9

The expected volatility is estimated based on the historical volatility of the Eitzen Chemical share on Oslo Stock Exchange. The number and lifetime of options exercised is estimated based on company statistics and empirical studies of exercise patterns for employee share option programs.

The total number of shares to be issued under the share option program is limited up to a maximum of 18,854,446 shares.

	2011		2010	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
At the beginning of the year	16 020 000	2.31	16 260 000	2.31
Granted during the year	-	-	-	-
Forfeited during the year	-4 740 000	2.31	-240 000	2.31
Exercised during the year	-	-		
Outstanding at the end of the year	**11 280 000**	**2.31**	**16 020 000**	**2.31**
Exercisable at the end of the year	**7 520 000**	**2.19**	**5 340 000**	**2.11**

Each share option gives the right to acquire one share. The strike price is NOK 1.90 per share, increasing by ten per cent per annum from the award date. The strike price was calculated based on the average share price of Eitzen Chemical from the summons to the EGM on 5 November 2009 and the EGM held on 26 November 2009.

Allotted share options can be exercised over a period of five years. One third of the allotted share options can be exercised twelve months after the date of allotment, one third can be exercised 24 months after the date of allotment and one third can be exercised 36 months after the date of allotment. Options that are vested shall be valid and can be declared for a period of 60 months from the award date.

Remuneration to the auditors (ex VAT)

	2011	2010
Statutory audit	435	451
Other assurance services	20	2
Tax assistance	33	107
Other non-assurance services	3	-
Attestation services booked directly on equity	6	-
Total	**497**	**560**

Note 9 - Financial items

(USD '000)

Interest income

	2011	2010
Bank interest	309	394
Interest income, other	144	265
Total	**453**	**659**

Interest expenses

	2011	2010
Interest expense, debts and borrowings	30 059	29 637
Interest expense, finance leased vessels	13 624	14 709
Interest expense, other	-	78
Total	**43 683**	**44 424**

Other financial items

	2011	2010
Foreign exchange gain	41 211	42 997
Foreign exchange net gain, finance lease *	5 943	-
Other financial income	1 724	1 614
Other financial income	**48 878**	**44 611**
Foreign exchange loss	-41 635	-44 664
Foreign exchange net loss, finance lease	-	-11 564
Changes in market value of financial instruments	-285	-437
Other financial expenses **	-4 392	-1 692
Other financial expenses	**-46 312**	**-58 357**
Total	**2 566**	**-13 747**

* The Company has recalculated the finance lease obligations and updated the estimates for vessels accounted for finance leases. This resulted in a non-cash effect of USD 22.5 million as at 31 December 2011 (note 20), decreasing the total finance lease obligations. The Company has determined that net USD 11.1 million of the effect should be recognised in other financial items, with USD 12.7 being recognised as foreign exchange net gain, partly offset by USD 1.6 million recognised in Other financial expenses.

** Included in the Other financial expenses balance is USD 3.0 million in withholding tax.

Foreign exchange gains and losses relates mainly to exchange rate fluctuations in Norwegian and Danish kroner, Euro and Japanese Yen. Note 23 includes further details on foreign currency risk and exposure.

Items of income, expenses, gain and losses

2011	Debt and payables	Loan and receivables	Other financial assets/ liabilities	Total
Interest income	-	309	144	453
Interest expense	-43 683	-	-	-43 683
Other financial items	5 943	-424	-2 953	2 566
Net financial income/(expenses)	**-37 740**	**-115**	**-2 809**	**-40 664**

Items of income, expenses, gain and losses

2010	Debt and payables	Loan and receivables	Other financial assets/ liabilities	Total
Interest income	-	240	419	659
Interest expense	-44 346	-	-78	-44 424
Other financial items	-11 564	-1 668	-515	-13 747
Net financial income/(expenses)	**-55 910**	**-1 428**	**-174**	**-57 511**

Note 10 - Income tax expense

(USD '000)

The Company's and / or its subsidiaries' activities will to a large extent be governed by the fiscal legislation of the jurisdictions where it is operating. Thus, the Company is exposed to a risk regarding the correct application of the tax regulations as well as possible future changes in the tax legislation of those relevant countries. In addition, the Company is, to a certain extent, exposed to different rules on freight duty and withholding tax.

The Company participates in the tax scheme in Singapore. All qualified shipping income derived from the shipping activity is exempt from taxation for the duration of the Approved International Shipping Enterprise (AIS) approval. The AIS approval has been granted for a period of ten years commencing November 2004. Furthermore, dividend paid from Singapore to the parent company in Norway is also exempt from tax.

Income taxes included in the income statement

	2011	2010
Tax payable	19	415
Changes in deferred tax	2 555	-2 565
Tax adjustments previous years	-44	-1 010
Income taxes	**2 530**	**-3 160**

Effective tax rate

	2011	2010
Profit (loss) before taxes	-151 499	-116 927
Statutory tax rate (Norway)	28 %	28 %
Estimated tax expenses at statutory tax rate	-42 420	-32 740
Non-deductible expenses (incl impariment of assets)	18 032	617
Share issuance cost recorded in equity	-2 208	-
Income/loss not subject to tax/countries with lower tax rate	49 989	24 167
Tax loss carried forward and other tax credits	-20 864	5 746
Other changes	-	-951
Income tax expense	**2 530**	**-3 160**
Effective tax rate in %	2 %	-3 %

	2011	2010
Deferred tax		
Loss carried forward	46 340	40 525
Other temporary differences	950	4 967
Deferred tax assets	**47 290**	**45 492**
Deferred tax liabilities		
Non-current liabilities	-12 143	-14 416
Deferred tax liabilities	**-12 143**	**-14 416**
Net deferred tax assets/(-liabilities)	**35 147**	**31 077**
Deferred tax assets not recorded in balance sheet	-35 147	-28 482
Recorded deferred tax assets/(-liabilities) in balance sheet	**-**	**2 595**

The temporary differences as of 31 December 2011 and 2010 are mainly related to companies taxable in Norway and Denmark. USD 46.3 million (2010: USD 40.5 million) of the deferred tax assets relates to tax loss carried forward in Norway and Denmark. Loss carried forward in Norway and Denmark is not subject to expiration. Tax liabilities related to limited liability companies taxed in Norway amounts to USD 10.4 million (2010: USD 12.7 million). In addition, deferred tax liabilities related to surplus values from business combinations amount to USD 1.7 million (2010: USD 1.7 million).

As at 31 December 2011 the Company derecognized net deferred tax assets of USD 2.6 million relating to losses carried forward in the Norwegian and Danish entities. The taxable profit in these entities is exposed to foreign currency. Due to the inherent volatility in the development of foreign currency, the Company has determined that evidence as required by prevailing accounting standards is currently not sufficient to support that future taxable profits will be available to secure utilization of the benefits.

Transaction costs recognised directly to equity did not have any income tax effect.

Note 11 - Earnings per share

Basic and diluted earnings per share are calculated by dividing net profit (loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. The diluted earnings per share are the same as basic earnings per share for 2011 and 2010. The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2011	2010
Net profit (loss) attributable to equity holders (USD '000)	-154 029	-113 767
Number of shares outstanding end of period ('000)	1 127 012	753 168
Weighted average number of ordinary shares ('000)	991 673	753 168
Earnings per share - basic/diluted earnings per share (USD)	**-0.16**	**-0.15**

The Board of directors has proposed that no dividend will be paid for the financial year 2011 (2010:0). Treasury shares are not included in the weighted average number of shares.

Note 12 – Vessels

(USD '000)

31 December 2011	Vessels	Finance lease vessels	Other fixed assets	Total
At 1 January 2011, net of cost and accumulated depreciation	**853 699**	**285 252**	**568**	**1 139 519**
Additions (mainly upgrading and docking of vessels)	16 033	3 794	44	19 871
Effect of update of lease schedules *	-	-11 377	-	-11 377
Disposals	-3 652	-12 546	-4	-16 202
Depreciations for the year	-56 401	-17 155	-193	-73 749
Impairment	-50 179	-12 331		-62 510
Exchange adjustment	-	-	4	4
At 31 December 2011, net of costs and accumulated depreciation	**759 500**	**235 637**	**419**	**995 556**
At 31 December 2011				
Cost	1 113 203	347 243	1 990	1 462 436
Accumulated impairment	-167 676	-37 247	-	-204 923
Accumulated depreciation	-186 027	-74 359	-1 571	-261 957
Net carrying amount	**759 500**	**235 637**	**419**	**995 556**
No. of vessels	39	10		49

* The Company has recalculated the finance lease obligations and updated the estimates for vessels accounted for finance leases. This resulted in non-cash effect of USD 22.5 million as at 31 December 2011 (note 20), decreasing total finance lease obligations. The Company has determined that USD 11.4 million of this effect has corresponding balance sheet effect on vessels held under finance leases.

All owned vessels are pledged to secure various banking facilities (refer to note 19 for further information). The Company is not aware of any pledges on finance leased vessels, but such arrangements might however exist.

31 December 2010	Vessels	Vessels held under finance	Other fixed assets	Total
At 1 January 2010, net of cost and accumulated depreciation	**909 901**	**303 734**	**752**	**1 214 387**
Additions (mainly upgrading and docking of vessels)	15 362	26	64	15 452
Disposals	-8 549	-	-20	-8 569
Depreciations for the year	-60 362	-18 508	-219	-79 089
Exchange adjustment	-2 653	-	-9	-2 662
At 31 December 2010, net of costs and accumulated depreciation	**853 699**	**285 252**	**568**	**1 139 519**
At 31 December 2010				
Cost	1 128 997	378 629	1 946	1 509 572
Accumulated impairment	-128 960	-24 566	-	-153 526
Accumulated depreciation	-146 339	-68 811	-1 378	-216 528
Net carrying amount	**853 698**	**285 252**	**568**	**1 139 518**
No. of vessels	41	11		52

Vessels

Vessels are depreciated on a straight-line basis. The expected useful life of the vessels is estimated to 25 years. Docking and coating costs are capitalized and depreciated over the estimated period to the next docking or coating (3 and 7 years respectively). The expected residual value in is USD 325 per light weight ton (2010: USD 325). Commitments related to lease vessels are described in Note 20. Gain from sale of vessels amounts to USD 3.7 million in 2011 (2010: USD -2.7 million).

Impairment

The Company has performed an impairment test where the value in use is calculated using estimated cash flows that reflect the Company's expectation that the chemical tanker market is at the bottom of the downturn in the market cycle, and that the rates will gradually improve to a balanced and sustainable level in 2015.

As the carrying amount exceeds the recoverable amount, i.e. estimated value in use, an impairment loss of USD 62.5 million was recorded as of 31 December 2011.

Impairment indicators

The chemical tanker market continued at a weak level in 2011 and the P/B ratio was below 1 at 31 December 2011. In addition, based on the average quotes from two independent broker firms, the estimated market value of the vessels was below the book value of the vessels. Based on an evaluation of these impairment indicators the Company performed an impairment test as at 31 December 2011.

Recoverable amount

Fair value is the amount obtained from the sale of an asset or cash generating unit (CGU) in an arm's length transaction. Value in use is the net present value of future cash flows arising from continuing use of the asset or CGU, including any disposal proceeds. An impairment test has been performed based on the estimated future value in use of the fleet. The Company has defined the entire fleet as a CGU, due to the Company's operational strategy to manage the fleet as a portfolio and thereby optimizing the portfolio's cash flow and the earnings for the entire Company. The net present value of future cash flows was based on a pre-tax weighted average cost of capital (WACC) of 6.8 per cent in 2011 (2010: 6.8 per cent).

Key assumptions
The estimated cash flows are based on management's best estimate and reflect the Company's expectation that the market will recover to a sustainable level due to the forecasted supply and demand development. The cash flows for 2012 are based on the Company's budget. The Company expects improved market balance through ample demand growth combined with reduced fleet growth in 2013, a gradual move towards a normalized market in 2014 and reaching a balanced and sustainable level in 2015. Further, it is the Company's expectation that the rates obtained when the market is more balanced, is fundamentally improved with rates corresponding to the market in 2006/2007, which reflects that we are at the bottom of the downturn in the market cycle. From 2015 and onwards, the model is based on a zero-growth scenario.

The cash flows are estimated over the remaining economic life of the vessels, with an estimated residual value at the end of the economic life based on USD 325 per light weight ton. For finance leased vessels with purchase options where it is assumed that the options will be exercised, the cash flows are based on the remaining economic life of the vessels.

Compared to the impairment test performed as of year-end 2010, the impairment test reflects a scenario that has a more gradual rate of improvement in the chemical tanker market, and lower estimated rates due to the inherent uncertainty of the future cash flows.

The WACC was estimated as follows:
Borrowing rate: Debt ratio*(10 years US Government bond + loan margin)
+ Equity Return: Equity ratio*(10 years US Government bond + Beta * market premium)
= WACC

If vessels are sold or disposed in a distressed situation before the estimated improved market rates used in the impairment test has materialized, it is a risk that the company might experience further losses or impairment charges on its vessels.

Sensitivities
A negative change in the estimated TC rate (see Key assumptions above) from 2012 of USD 1,000 per day would increase the impairment with USD 30.0 million, all other factors held constant. A positive change in the estimated TC rates of USD 1,000 per day would decrease the impairment with USD 39.5 million. If the estimated cost of capital used in the vessel valuation model had been 1.0 per cent higher than the cost of capital used in the model, the impairment would have increased by USD 17.2 million. If the cost of capital had been 1.0 per cent lower, the impairment would have decreased by USD 21.7 million.

Note 13 - Intangible assets

(USD '000)

31 December 2011	Customer relationship	Total
Cost as at 1 January 2011 net of cost and accumulated amortisation	**3 837**	**3 837**
Amortisation for the year	-3 837	-3 837
At 31 December 2011 net of cost and accumulated amortisation	**-**	**-**
At 31 December 2011		
Cost	20 984	20 984
Accumulated amortisation	-20 984	-20 984
Net carrying amount	**-**	**-**

31 December 2010	Customer relationship	Total
Cost as at 1 January 2010 net of cost and accumulated amortisation	**8 547**	**8 547**
Amortisation for the year	-4 710	-4 710
At 31 December 2010 net of cost and accumulated amortisation	**3 837**	**3 837**
At 31 December 2010		
Cost	20 984	20 984
Accumulated amortisation	-17 147	-17 147
Net carrying amount	**3 837**	**3 837**

Note 14 - Pensions and other post employment benefit plans

Pension Cost, Funding and Obligations
In Norway there are two defined benefit pension plans for the employees, where one plan is funded through an insurance company, while the other relating to key management is unfunded. The benefit pension plan for both schemes define the amount of pension that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation. Some employees in Denmark are part of a contribution plan where the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay future contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods. As at 31 December 2011 the Company has recorded a net pension liability of USD 0.6 million (2010: USD 0.8 million). Refer to footnote 9 in the financial statements of the parent for further details.

Defined contribution plan
Expenses in 2011 related to contribution plans amount to USD 0.5 million (2010 USD 0.2 million).

Note 15 - Trade and other receivables

(USD '000)

	2011	2010
Trade receivables	43 910	43 014
Accrued income	10 289	7 913
Other receivables	8 176	8 536
Total	**62 375**	**59 463**

All receivables are non-interest bearing. The majority of the receivables are receivables from customers and generally due within 3 to 30 days after discharge. Demurrage receivables have different payment terms. Carrying amount of trade receivables as of year-end are as follows:

		Past due, but not impaired		
	Not due	< 90 d	> 90 d	Total
Trade receivables, carrying amount as of 31 December 2011	19 563	16 075	8 273	43 910
Trade receivables, carrying amount as of 31 December 2010	22 993	12 903	7 118	43 014

Trade receivables are impaired individually or collectively. As at 31 December 2011 the provision for loss on debtors amounts to USD 2.8 million (2010: USD 2.6 million). Movements in the provision for impairment of trade receivables are as follows:

	2011	2010
At 1 January	2 586	3 528
Provision recognised	2 529	910
Utilised	-2 268	-1 852
At 31 December	**2 847**	**2 586**

Note 16 - Cash and cash equivalents

(USD '000)

	2011	2010
Cash at bank and in hand	65 738	71 685
Cash at bank, restricted	797	146
Employee tax withholding accounts	291	290
Total	**66 826**	**72 121**

The fair value of cash and cash equivalents is USD 66.8 million (2010: USD 72.1 million). The Company does not have any undrawn committed borrowing facilities available as per 31 December 2011 (2009: USD 0.0 million).

Note 17 - Share capital and reserves

Authorised shares	Number of shares	NOK '000	USD '000
At 31 December 2009	**754 177 831**	**754 178**	**128 279**
Changes in shares and share capital in the period	-	-	-
At 31 December 2010	**754 177 831**	**754 178**	**128 279**
Reduction of share capital on 9 May 2011	-	-188 544	-32 070
Shares issued on 12 May 2011 in connection with private placement	371 937 500	278 953	51 563
Shares issued on 8 June 2011 in connection with subsequent offering	1 906 992	1 430	265
At 31 December 2011	**1 128 022 323**	**846 017**	**148 037**

As of 31 December 2011 the Company has a share capital of USD 148,036,668, which consists of 1,128,022,323 each with par value of NOK 0.75.

The Annual General Meeting held on 9 May 2011 decided to reduce the share capital by reducing the par value from NOK 1 per share to a par value of NOK 0,75 per share. The share capital reduction has been allocated to a fund to be used as decided by the general meeting. All issued shares in the Company are of the same class and have the same rights in the Company. The number of outstanding shares increased in 2011 with 373,844,492 new shares through a private placement and a subsequent offering in June 2011.

Shareholder information

Shareholders as of 31 December 2011 are specified below:

Name:	Number of shares	Ownership
Jason Shipping ASA	383 532 236	34,0%
SEB Enskilda ASA	56 398 182	5,0%
Dnb nor markets, aksjehand/analyse	55 000 001	4,9%
JP Morgan Clearing Corp.	53 505 075	4,7%
Odin Maritim	17 430 831	1,5%
Apollo Asset Limited	15 945 000	1,4%
Morgan Stanley &Co LLC	15 402 474	1,4%
Hustadlitt A/S	14 945 000	1,3%
MP Pension PK	14 011 700	1,2%
Sabaro Investments Ltd	12 700 000	1,1%
Other	488 141 824	43,3%
Total numbers of shares excluding treasury shares	**1 127 012 323**	**99,9%**
Treasury shares at 31 December 2011	1 010 000	0,1%
Total numbers of shares including treasury shares	**1 128 022 323**	**100,0%**
Total number of shareholders	2 338	
Foreign ownership	207 143 733	18,4%

Directors and Key Management personnel interest

At 31 December 2011 the Board of Directors and Key Management Personnel held shares in Eitzen Chemical as follows:

Directors and Key Management Personnel	Position	Number of shares	Share options
Bjørn J. Sjaastad	Chairman of the Board	-	-
Aage Rasmus Bjelland Figenschou	Board member	-	-
Helene Jebsen Anker	Board member	336 000	-
Heidi Marie Petersen [1)]	Board member	250 000	-
Carl Erik Steen [2)]	Board member	2 104 075	-
Per Sylvester Jensen	Chief Excecutive Officer	10 000	2 400 000
Per-Hermod Rasmussen	Chief Financial Officer	100 000	1 800 000
Aage Rasmussen	Senior Vice President	-	1 800 000
Geir Frode Abelsen	Chief Technical Officer	-	1 200 000
Theodor Berg [3)]	Vice President	100 000	1 200 000

[1)] Shares are owned through Luuna AS, a company controlled by Heidi Marie Petersen.
[2)] 1 000 000 of the shares are owned through Capreca AS, a company controlled by Carl Erik Steen.
[3)] Shares are owned through Cob Cob AS, a company controlled by Theodor Berg.

Note 18 - Trade and other payables (current)

(USD '000)

	2011	2010
Trade payables	19 171	13 913
Accrued expenses	32 993	37 442
Deferred income	9 572	12 461
Interest payable	6 228	4 615
Other payables	2 822	2 289
Total	**70 786**	**70 720**

Note 19 - Interest-bearing loans and borrowings

(USD '000)

	2011			2010		
	Current *	Non-current	Total	Current *	Non-current	Total
NOK 490 million and USD 25 million bond loan	-	105 888	105 888	-	107 160	107 160
USD 510 million credit facility	3 227	263 852	267 079	-	266 293	266 293
USD 265 million credit facility	2 142	187 889	190 031	-	189 487	189 487
USD 170 million credit facility	3 929	155 895	159 824	-	164 351	164 351
Other loan agreements	2 371	48 142	50 513	260	49 993	50 253
Total interest-bearing loans	**11 669**	**761 666**	**773 335**	**260**	**777 284**	**777 544**
Leasing debt **	13 406	186 587	199 993	28 340	216 911	245 251
Total	**25 075**	**948 253**	**973 328**	**28 600**	**994 195**	**1 022 795**

* Included in the facilities above are deferred charges of borrowing costs of USD 4.2 million (2010: USD 4.8 million).

** The Company has recalculated the finance lease obligations and updated the estimates for vessels accounted for finance leases. This resulted in a non-cash effect of USD 22.5 million as at 31 December 2011, decreasing the total finance lease obligations (note 20).

The following table provides an overview of the contractual undiscounted cash flows for the Company's interest-bearing loans, including interest payments. For the determination of interest payments, the Company have used LIBOR as at the reporting date. See note 23 for further details on the Company's liquidity risk.

	2012*	2013	2014**	2015	2016 -	Contractual cash flows	Carrying amount
NOK 490 million and USD 25 million bond loan	5 885	6 058	109 798	-	-	121 740	105 888
USD 510 million credit facility	15 480	28 271	250 865	-	-	294 617	267 079
USD 265 million credit facility	10 868	19 164	179 607	-	-	209 639	190 031
USD 170 million credit facility	11 394	20 859	144 225	-	-	176 477	159 824
Other loan agreements	4 657	11 060	39 716	-	-	55 432	50 513
Total payments on interest-bearing loans	**48 284**	**85 411**	**724 210**	**-**	**-**	**857 906**	**773 335**

* USD 28.6 million of the total payments on interest-bearing loans mature in Q4 2012. The remaining payments in 2012 mature on a quarterly basis in the first three quarters.

** USD 556.8 million of the credit facilities and other loan agreements mature in Q3 2014, while the bond loans mature in their entirety in Q4 2014.

The following table provides an overview of the expected undiscounted cash flows for the finance lease vessels, including service cost element and option payments on vessels where it is assumed that the options will be exercised.

	2012	2013	2014	2015	2016 -	Expected cash flows	Carrying amount
Total payments on finance lease obligations	40 538	82 575	39 858	20 171	93 798	276 939	199 993

The following table provides an overview of currencies in which the carrying amounts of interest-bearing liabilities are denominated.

	2011	2010
US Dollars	850 853	846 983
Japanese Yen	41 434	93 416
Norwegian Kroner	81 041	82 396
Total	**973 328**	**1 022 795**

The Company was in compliance with all existing financial covenants relating to its bond and bank loan agreements at 31 December 2011.

Financial restructuring of bank loan agreements in 2009

On 25 November 2009 Eitzen Chemical and its subsidiaries entered into amendment agreements with most of its bank lenders (all syndicate loans and most bilateral loans). The amendment agreements to the bank loan agreements establish a moratorium period until 6 November 2012. The moratorium period nominally commences on 1 October 2009 but in reality replaces waivers given with effect from April 2009. In this moratorium period no debt instalments are to be made except as a result of (i) sale of assets and (ii) quarterly cash sweeps as described further below. Maturity of the amended bank loan agreements have been postponed until 13 July 2014. In the period between 6 November 2012 and maturity, fixed quarterly instalments shall take place. In addition, the Company shall make instalments in the period between 6 November 2012 and maturity as a result of (i) sale of assets and (ii) quarterly cash sweeps as further described below.

The cash sweeps shall take place following the end of each quarter for cash and cash equivalents (as reported in Eitzen Chemical's consolidated financial statements, but excluding cash being restricted or blocked) in excess of the following thresholds:

- in 2012 until 6 November 2012: USD 107.7 million; and
- from 6 November 2012 until maturity 13 July 2014: USD 60 million.

When calculating the amount of excess cash to be swept after the end of each quarter, the amount of fixed instalments which are due the next quarter shall be deducted. The proceeds from the cash sweep shall be distributed proportionately among the lenders under the bank loan agreements under which the moratorium has been granted.

At maturity, 13 July 2014, the Company shall make a balloon repayment of all deferred payments. Margin on the syndicate bank loans remain unchanged at the level in effect prior to the amendments on 25 November 2009 (LIBOR + 2.75 per cent p.a.). The interest payment schedule was not amended on any bank loan.

Eitzen Chemical also obtained waiver of all financial covenants for the duration of the moratorium period except for a cash covenant and the minimum value clauses. Both the cash covenant and the minimum value clauses were, however, modified for the benefit of the Company. The cash covenant provides that Eitzen Chemical (on a consolidated basis) shall maintain cash and cash equivalents (as reported in Eitzen Chemical's consolidated financial statements, but excluding cash being restricted or blocked) for an amount equal to or greater than USD 40 million in 2012 and until maturity.

The minimum value clause concerns the ratio of minimum value of security assets to loan secured by the relevant assets and was measured for the first time on 31 March 2011. The minimum value-to-loan requirements for the syndicate bank loans shall be no less than 70 or 100 per cent, dependent on the facility, for two consecutive quarterly periods across the syndicate bank loans in the moratorium period until 6 November 2012 and no less than 100 or 115 per cent, dependent on the facility, for two consecutive quarterly periods across the syndicate

bank loans in the period between 6 November 2012 and maturity 13 July 2014. All amended bilateral loan agreements have covenants similar to the syndicate loans.

Furthermore, certain default clauses were deleted and altered. Thus, only material breaches will trigger acceleration. The cross default provisions of all bank loan agreements remained unaltered. The change of control clauses of the syndicate loans were altered so that Jason Shipping ASA must no longer own minimum 40 per cent of the Shares. However, if another company than Jason Shipping ASA should acquire more than 40 per cent of the Shares, consent from the majority banks would be required.

As a consequence of the amendments to the bank loan agreements, dividend payments and equivalent other payments from the Company may not take place until maturity of the loans. No new investments or capital expenditures are permitted under the bank loan agreements, unless the Company obtains consent from a certain majority of the lenders under each of the loans (ordinary maintenance of the vessels and reasonable expenditures to maintain current class and certificates shall not be regarded as investments in this context). In addition, certain restrictions apply to the possibility of voluntary prepayment of all debt, re-borrowing under revolver loan and the provision of security for the lenders under the amended bank loan agreements.

Bond loan agreement
Eitzen Chemical ASA has bond loans outstanding totalling NOK 490 million and USD 25 million at December 31, 2011. The bonds carry interest of NIBOR + 3.5 per cent and LIBOR + 3.5 per cent, respectively. The bond loan agreement was amended subsequently with the financial restructuring of the Company in September 2009. Final maturity was postponed from 2011 to October 2014, with 103 per cent of par value payable on maturity. Eitzen Chemical has an option to redeem the loan at 100 per cent of par in 2012, and 101.5 per cent of par in 2013. The minimum value adjusted equity ratio covenant was replaced by an aggregated secured Company loan to value covenant effective from the moratoria expiry date (6 November 2012). This is the only financial covenant and provides that Eitzen Chemical will become in breach with the covenant requirement if the total indebtness of the Company and its subsidiaries secured against the vessels owned by such companies exceeds 86.51 per cent of the aggregated value of such vessels (based on independent shipbroker valuations). No security was provided for the bonds.

Bank syndicate loan agreements
USD 510 million facilities
In July 2006, Songa Shipholding Pte Ltd., later renamed to Eitzen Chemical (Singapore) Pte Ltd. entered into a credit facility agreement with Nordea Bank Finland Plc., Singapore Branch as agent and certain banks as listed therein as lenders for a total facility of USD 510 million. Final maturity is in July 2014. Eitzen Chemical ASA is the guarantor of the loan. The facility is secured by a first priority charge inter alia in vessels and proceeds from the vessels.

USD 265 million facilities
In connection with the establishment of the Company in October 2006, Eitzen Chemical (Singapore) Pte Ltd. entered into a USD 265 million credit facilities agreement with Nordea Bank Finland Plc., Singapore Branch as agent and certain banks as listed therein as lenders. Final maturity is in July 2014. Eitzen Chemical ASA is the guarantor of the loan. The facility is secured by a first priority charge inter alia in vessels and proceeds from the vessels.

USD 170 million facilities
In November 2007, Eitzen Chemical (Singapore) Pte Ltd. entered into a USD 150 million credit facilities agreement with Nordea Bank Finland Plc., Singapore Branch as agent and certain banks as listed therein as lenders. In April 2009, the loan agreements were amended and the total commitments under the facilities were increased by USD 20 million. Final maturity is in July 2014. Eitzen Chemical ASA is the guarantor of the loan. The facility is secured by a first priority charge inter alia in vessels and proceeds from the vessels.

Bilateral loan agreements
The Company's subsidiary Napoli Chemical KS (formerly Mosvold Chemical KS) entered into a loan agreement with DVB Bank SE on 13 July 2004 in the amount of USD 36,000,000 for the purpose of financing the purchase of Napoli Chemical KS' four vessels. The loan is secured by inter alia a mortgage over the relevant vessels and a guarantee from the Company.

In December 2010 a loan agreement with Nordea Bank Finland Plc, Singapore Branch of USD 4,700 000 was entered into by Eitzen Chemical Invest (Singapore) Pte.Ltd, the vessel owning entity of the vessel Tour Pomerol. The loan is secured inter alia by a mortgage over the vessel Tour Pomerol and a guarantee from the Company.

On 6 December 2010 a loan of USD 15,000 000 was entered into by Sichem Pearl Shipping Co. Pte Ltd with Nordea Bank Finland Plc, Singapore Branch. The loan is secured by inter alia a mortgage over the relevant vessels Sichem Croisic and Sichem Pearl and a guarantee from the Company.

All bilateral loan agreements are in USD at LIBOR plus a fixed margin of 2.75 per cent.

Note 20 - Commitments

Lease commitments
The Company had 14 vessels on lease as per 31 December 2011 (2010: 18), of which 10 (2010: 11) vessels are recorded as finance leases (on balance sheet), and 4 vessels (2010: 7) are recorded as operating leases (off balance sheet).

The vessels are either on Bareboat (BB) or Time Charter (T/C). The Company is responsible for the technical management of the BB vessels, while the leasing counterparts are responsible for the technical management of the TC vessels.

The charters have a firm charter period, and the Company has an option to extend the charter for multiple years (except Sichem Aneline, Sichem Mississippi and Sichem Pace). The minimum leasing period and the maximum leasing period are shown in the table below.

Eitzen Chemical has options to purchase all leasing vessels except Sichem Pace. The first possible purchase date is included in the table below. Under the current loan agreements, the Company needs to obtain consent from a certain majority of the lenders under each of the loans for new investments, including declaring purchase options.

Vessel	DWT	Contract	Lease	Min period end *	Max period end	First excercise	Purchase Price **
Sichem Aneline	8 940	BB	Financial	Q3'18	Q3'18	Q3'12	JPY 1,573M
Sichem Mumbai	13 058	BB	Financial	Q4'16	Q4'18	Q4'13	USD 16.8M
Sichem Amethyst	8 750	T/C	Financial	Q4'13	Q4'16	Q4'12	JPY 1,305M
Sichem Ruby	8 750	T/C	Financial	Q3'13	Q3'16	Q3'12	JPY 1,490M
Sichem Contester	19 821	T/C	Financial	Q4'14	Q4'19	Q4'12	JPY 2,809M
North Contender	19 925	T/C	Financial	Q4'10	Q4'15	Q4'12	USD 21.3M
North Fighter	19 932	T/C	Financial	Q1'11	Q1'16	Q1'12	USD 22.3M
Sichem Defender	19 999	T/C	Financial	Q1'14	Q1'19	Q1'12	JPY 2,592M
Siteam Neptun	48 309	T/C	Financial	Q2'10	Q2'13	Q2'13	USD 15.8M
Siteam Jupiter	48 309	T/C	Financial	Q2'10	Q2'13	Q2'13	USD 15.8M
Sichem Mississippi	12 272	BB	Operational	Q4'28	Q4'28	Q4'13	JPY 3,300M
Sichem Pace	19 998	BB	Operational	Q3'14	Q3'14	No option	No option
Sichem Onomichi	13 104	T/C	Operational	Q1'15	Q1'18	Q1'13	USD 20.8M
Sichem Hiroshima	13 119	T/C	Operational	Q2'15	Q2'18	Q2'13	USD 20.8M

* Maturity date of the firm charter period. Most of the leased vessels have options to extend the charter and option to purchase the vessel on or before the end of the firm charter period.
** The purchase price indicates the option price at first possible exercise date

Update of lease obligations
In 2011, the Company has recalculated the finance lease obligations and updated the estimates for vessels accounted for finance leases. This resulted in a non-cash effect of USD 22.5 million as at 31 December 2011, decreasing the total finance lease obligations. The option exercise dates were updated to reflect the best estimate of future declaration, with the resulting positive effect of USD 11.1 million recognised in other financial items. The Company further determined that USD 11.4 million of the effect has corresponding balance sheet effect on vessels held under finance leases.

Finance lease commitments
The total balance sheet commitments as per 31 December 2011 were USD 200.0 million (2010: USD 245.3 million).

The table below shows future minimum lease payments, given the expected lease term, for the finance lease vessels and the present value of the net minimum lease payments for different time horizons.

(USD '000)

	2011		2010	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	25 125	24 258	41 893	40 570
After one year, but not more than five years	150 886	129 397	151 971	127 438
More than five years	65 558	46 338	105 496	77 243
Total minimum lease payments	**241 569**	**199 993**	**299 360**	**245 251**
Less amounts representing finance charges	-41 576	-	-54 109	-
Present value of minimum lease payments	**199 993**	**199 993**	**245 251**	**245 251**

Included in the debt is an unrealised currency loss of USD 12.9 million (2010: Loss of USD 25.6 million) related to purchase options nominated in Japanese Yen. The USD/JPY rate was 77.44 per 31 December 2011 (2010: 81.47).

Payment if option on finance leased vessels is exercised
If the Company has an option to purchase a vessel at a price that, at the inception of the lease, is expected to be significant lower than the fair value at the date the option becomes exercisable, the lease payments comprise the

payment required to exercise the option. Hence, the lease liabilities recorded in the balance sheet consist of one part which is deemed hire payments and one part which is the payment required if the option to purchase the vessel should be exercised. The split between hire payments and payments required if the option should be exercised is included in the table below.

(USD million)

	2012	2013	2014	2015	2016 -	Total
Maturity of booked finance lease	24 258	64 106	28 521	11 212	71 896	199 993
Whereof payments if option is excercised	-	-45 264	-17 226	-	-41 606	-104 096
Hire obligation under finance leases	**24 258**	**18 842**	**11 295**	**11 212**	**30 290**	**95 897**

Operating expense commitments on time charter vessels under finance lease:

(USD '000)

	2011	2010
Falling due within one year	15 482	15 721
Falling due between one and five years	30 557	38 404
Falling due after five years	7 525	13 694
Total	**53 564**	**67 819**

Operating lease commitments
Below is an overview of the operating leases. The table is divided into charter hire for operating leased vessels on time charter and bare-boat charter. Other leases are rent, cars and office equipment.

(USD'000)	2011	2010
Falling due within one year	7 201	9 292
Falling due between one and five years	16 277	23 479
Falling due after five years	-	-
Charter hire for vessels on time charter (operating lease)	**23 479**	**32 771**
Falling due within one year	8 826	12 574
Falling due between one and five years	22 774	31 650
Falling due after five years	33 892	37 487
Charter hire for vessels on bare-boat charter (operating lease)	**65 491**	**81 711**
Falling due within one year	1 064	783
Falling due between one and five years	1 037	303
Falling due after five years	-	-
Other leases (operating lease) *	**2 101**	**1 086**
Total contractual liabilities (operating lease)	**91 071**	**115 568**

** Other operating leases include premises, cars and office equipment*

Note 21 - Financial instruments

Carrying amount and fair value of financial items by class of financial assets and liabilities
The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, trade payables and other current liabilities
Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term fixed-rate and variable-rate receivables and/or borrowings
Long-term fixed-rate and variable-rate receivables and/or borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2011, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

Bond loans
The bond loans are unsecured financial instruments. Fair value of the NOK and USD bond loans listed at Oslo Stock Exchange is based on the market quotations for these loans. The fair value is based on the latest exchange trade.

Available-for-sale financial assets
Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques.

Derivative financial instruments
The Company may enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly commodity forward contracts.

Unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases
The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms. The obligations under finance leases were updated at 31 December 2011 to reflect best timing estimate of declaring purchase options. Fair value of the obligations under finance leases are therefore not considered to be materially different from book value as of the reporting date. We also consider our bank loans not to be materially different from book value as of the reporting date. Our unsecured bond loans currently trade at a significant discount. However, our bank loans are sophisticated secured products not traded in an active market and the determination of fair value is associated with a significant level of uncertainty. If any of the mortgage banks were to sell its debt, it is not unreasonable to believe that the fair value of the loans would be below the carrying amount.

The table on the next page provides an overview of the carrying and fair value of the Company's financial instruments and the accounting treatment of these instruments.

(USD '000)

	2011		2010	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current loans and receivables				
Other receivables	2 000	2 000	6 038	6 038
Total non-current loans and receivables	**2 000**	**2 000**	**6 038**	**6 038**
Financial assets at fair value through profit or loss				
Shares held for trading	226	226	232	232
Derivates not designated as hedge accounting				
Bunker hedge	169	169	165	165
Total current financial assets at fair value	**395**	**395**	**397**	**397**
Loans and receivables				
Trade and receivables	62 375	62 375	59 463	59 463
Cash and cash equivalents	66 826	66 826	72 121	72 121
Total current loans and receivables	**129 201**	**129 201**	**131 584**	**131 584**
Total non-current financial assets	2 000	2 000	6 038	6 038
Total current financial assets	129 596	129 596	131 981	131 981
Total financial assets	**131 596**	**131 596**	**138 019**	**138 019**
Financial liabilities measured at amortised cost				
Bond loan	105 888	44 465	107 160	75 725
Credit facilities	655 778	655 778	670 124	670 124
Financial lease liabilities	186 587	186 587	216 911	216 911
Total non-current financial liabilities measured at amortised cost	**948 253**	**886 830**	**994 195**	**962 760**
Trade and other payables	70 786	70 786	70 720	70 720
Credit facilities	11 669	11 669	260	260
Financial lease liabilities	13 406	13 406	28 340	28 340
Other current liabilities	35	35	121	121
Total current financial liabilities measured at amortised cost	**95 896**	**95 896**	**99 441**	**99 441**
Total non-current financial liabilities	948 253	886 830	994 195	962 760
Total current financial liabilities	95 896	95 896	99 441	99 441
Total financial liabilities	**1 044 149**	**982 727**	**1 093 636**	**1 062 201**

Note 22 - Related party disclosures

The consolidated financial statements include the financial statements of Eitzen Chemical and the subsidiaries are listed in the following table.

Name	Country of incorporation	% equity interest 2011	% equity interest 2010	% voting rights 2011	% voting rights 2010
Eitzen Chemical (Denmark) A/S	**Denmark**	**100 %**	**100 %**	**100 %**	**100 %**
- Eitzen Chemical Shipping (Singapore) Pte Ltd	Singapore	100 %	100 %	100 %	100 %
- Eitzen Chemical A/S	Denmark	100 %	100 %	100 %	100 %
- Eitzen Chemical (Spain) S.A.	Spain	100 %	100 %	100 %	100 %
Team Shipping AS	**Norway**	**100 %**	**100 %**	**100 %**	**100 %**
Eitzen Chemical Shipholding AS	**Norway**	**100 %**	**100 %**	**100 %**	**100 %**
- Team Tankers AS	Norway	100 %	100 %	100 %	100 %
- Team Tankers (USA) L.L.C	USA	100 %	100 %	100 %	100 %
- Eitzen Chemical (France) S.A.S. (closed 30.06.2011)	France	100 %	100 %	100 %	100 %
- Eitzen Chemical (USA) L.L.C.	USA	100 %	100 %	100 %	100 %
-Eitzen Chemical Chartering (Singapore) Pte.Ltd. (closed 30.09.2010)	Singapore		100 %		100 %
Napoli Chemical KS	**Norway**	**100 %**	**100 %**	**100 %**	**100 %**
Napoli Chemical AS	**Norway**	**100 %**	**100 %**	**100 %**	**100 %**
Eitzen Chemical (Singapore) Pte.Ltd.	**Singapore**	**100 %**	**100 %**	**100 %**	**100 %**
- Eitzen Chemical Shipping & Trading (Singapore) Pte.Ltd.	Singapore	100 %	100 %	100 %	100 %
- Eitzen Chemical Invest (Singapore) Pte.Ltd.	Norway	100 %	100 %	100 %	100 %
- Sichem Pearl Shipping Co. Pte Ltd	Singapore	100 %	100 %	100 %	100 %

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year:

Related party	Type of transaction	Sale to / purchase from 2011	Sale to / purchase from 2010	Amounts owed by/- to related parties 2011	Amounts owed by/- to related parties 2010
Entities with significant influence over the Company:					
Jason Shipping ASA	Corporate administration	-8	281	-22	-75
Jason Shipping ASA	Rent	-243	-254	67	69
Companies which are a part of the JSHIP Group or controlled by a related party:					
Eitzen Holding AS	Corporate administration	-	9	-	12
EMS Group [1)]	Technical management, ship supply and insurance	-	-1 459	-	-
EMS Group [1)]	Corporate administration	3	12	-	-
EMS Group [1)]	IT services	-624	-632	-	-
Camillo Eitzen (Danmark) A/S	Corporate administration	-52	-356	-	-40
Camillo Eitzen (Danmark) A/S	Rent	-18	-36	-	-
Camillo Real A/S	Rent	-415	-389	58	54
Eitzen Gas Carriers A/S	Corporate administration	-	6	-	-
Camillo Eitzen (Singapore) Pte Ltd	Corporate administration	-206	-80	-10	-
Eitzen Solvang Ethylene A/S	Corporate administration	-	6	-	-
Sigas (Singapore) Pte Ltd	Corporate administration	8	9	-	-
Eitzen Bulk Singapore Pte Ltd	Corporate administration	-	-29	-	-
Aage Figenschou AS [2)]	Consultancy services	-25	-67	-	-56
Bsc - Bjørn Sjaastad Consulting [3)]	Consultancy services	-131	-	-11	-

1) The company was controlled by Jason Shipping ASA until 21 December 2011. Transaction balances include all transactions up to that date.
2) The company is controlled by Aage Rasmus Bjelland Figenschou
3) The company is controlled by Bjørn J. Sjaastad

Terms and conditions of transactions with related parties
Sales to and purchases from related parties are made at normal market prices. There have been no guarantees provided or received for any related party receivables or payables. The Company has not made any provision for doubtful debts relating to amounts owed by related parties.

Significant influence and dual roles:

- Aage R B Figenschou, was a board member in both Jason Shipping ASA and Eitzen Chemical ASA in 2010 and 2011.

For remuneration to CEO and Key Management personnel, refer to Group Note 8 and Parent Note 2.

Note 23 - Financial risk management, objectives and policies

Risk management overview
Generally the market conditions for shipping activities are volatile and, as a consequence, the result may vary considerably from year to year. Market risks are related to freight rates, bunker prices and vessel prices, which the Company has no or limited possibilities to influence or hedge. In addition the Company is exposed to a number of different financial risks such as liquidity-, interest rate-, and currency risks arising from our normal business activities. Such risks are monitored on a regular basis, and the Company might use financial derivatives to limit the exposure.

Market risks
Freight rate risks
Fluctuations in freight rates are the key factor influencing Eitzen Chemical's cash flow and results. To limit the exposure, the future open ship days are hedged by entering into fixed long-term Contracts of Affreightment (CoA) and time charters. The time charters generate secure cash flow for the period it is effective, while the CoA's have fluctuating cargo nominations, depending on each customers requirement.

Bunker price risks
The exposure to fluctuations in bunker prices depends on the type of contract. Exposure in a spot trade is taken into consideration when the spot charter rate is determined. The Company seeks to reduce the exposure to fluctuating bunker fuel prices through compensation clauses in contracts with clients. On contracts (CoA's) where this is not possible the Company use commodity based derivative to reduce the bunker exposure.

Vessel price risks
The risk of changes in the value of the Company's owned and leased vessels are one of Eitzen Chemical's most material risks. At the end of 2011, the Company had 39 owned vessels and 13 leasing vessels with purchase option (including financial- and operational leases). The change in asset values will affect Eitzen Chemical's Net Asset Value (NAV), while a change in the value of financial leased vessels will only affect the Company's theoretical NAV.

Financial risks
Liquidity risk
The Company negotiated a three-year debt moratorium in 2009. When the debt moratorium period expires in November 2012, the Company is required to resume paying instalments on its debt obligations. In the fourth quarter 2012 USD 11.7 million in instalments are due. Thereafter, USD 57.7 million mature in 2013 and USD 706.5 million in 2014, whereof USD 556.8 million of the credit facilities and other loan agreements mature in the third quarter 2014. The bond loans mature in their entirety in the fourth quarter 2014 (see note 19 for maturity table). With today's weak chemical tanker market the liquidity risk inherent in the Company's financial liabilities is considerable.

The Company is now evaluating its alternatives to ensure necessary short term liquidity as well as provide for long term financial strength and flexibility. As announced on 16 January 2012, the Company has retained ABG Sundal Collier Norge ASA as financial advisor to assist in this respect. Eitzen Chemical remains confident that the chemical tanker market eventually will benefit from improved market fundamentals and fully recover. However, the Company is dependent on a substantial increase in freight rates compared to today's market to meet its financial liabilities. If the current weak market continues and no solution can be found, there are significant uncertainties linked to the Eitzen Chemical's sustainability in the present form.

The Company also has a cash covenant which requires that Eitzen Chemical (on a consolidated basis) shall maintain cash and cash equivalents for an amount equal to or greater than USD 40 million in 2012 and until maturity. As of 31 December 2011, the Company's cash position was USD 66.8 million.

With challenging conditions prevailing in the chemical tanker market, Eitzen Chemical has since 2009 focused on improving its financial situation. The Company has raised a total of USD 185 million in two equity issues in 2009 and April 2011, respectively. The Company is also continuously evaluating measures in order to improve the operating cash flow. This includes further divestment of non-core and underperforming vessels. It is also the Company's expectation that the decision to discontinue as manager for the City Class and Team Tankers Pools should improve the operating cash flow going forward. Earnings per day on our own fleet within these ship classes are expected to increase as result of improved utilization.

Interest rate risk

The Company's exposure to interest rate risk is related to interest-bearing assets and non-current debt liabilities. Eitzen Chemical's management periodically review and assesses the interest rate risk, and consider hedging of such risk based on various short and long term effects on liquidity and results. This is done through the use of time deposits, interest rate swaps and combined currency/interest swaps. A part of the Company's financial strategy is to utilise finance leases, which also limit the interest rate exposures since the leases are at a fixed level throughout the leasing period. As of 31 December 2011, 20 per cent of the debt carried fixed rates (2010: 22 per cent), relating to obligations under financial leases.

The following table shows estimated changes in profit before tax for the Company from reasonable possible changes in interest rates in 2011, with all other variables held constant.

(USD '000)

	Change in Interest rate	2011	2010
USD LIBOR	+ 1.50%	10 463	10 483
	+ 0.75%	5 232	5 242
	- 0.75%	-5 232	-5 242
	- 1.50%	-10 463	-10 483
NIBOR	+ 1.50%	1 312	1 217
	+ 0.75%	656	609
	- 0.75%	-656	-609
	- 1.50%	-1 312	-1 217

Currency risk

The Company's functional currency is USD as the majority of the transactions are in USD. Currency risks therefore arise in connection with transactions in other currencies than USD, including administrative expenses, declaration of vessel purchase options denominated in Japanese Yen, and debt financing in other currencies than USD. A significant share of the Company's general and administrative expenses is in other currencies than USD, mainly Singapore Dollar, Danish and Norwegian kroner. Eitzen Chemical may use financial derivatives to reduce the net operational currency exposure.

Eitzen Chemical has issued bonds denominated NOK. As a result there is a currency exposure related to the bond loan interest payments and principal which is due in 2014. The Company's strategy is to either hedge the currency exposure by using financial derivatives, alternatively hold parts of the excess liquidity in other currencies than USD to meet the payment obligations in other currencies for a reasonable time horizon. As of 31 December 2011, the company held 73 per cent (2010: 80 per cent) of total cash in USD, 16 per cent (2010: 16 per cent) in Norwegian Kroner, and 11 per cent (2010: 4 per cent) in other currencies.

The following table shows estimated changes in profit before tax for the Company from reasonable possible changes in the US dollar exchange rate within the previous year, with all other variables held constant. Reasonable changes are defined as the standard deviation the five last years before reporting date.

(USD '000)

	Change in currency rate	2011	2010
USDNOK	+ 0.50	6 179	6 580
	- 0.50	-7 247	-7 770
USDDKK	+ 0.40	838	693
	- 0.40	-966	-798
USDJPY	+ 14.0	6 344	12 167
	- 14.0	-9 144	-16 453
USDEUR	+ 0.04	158	177
	- 0.04	-176	-232

Credit risk

The Company's main credit risks are related to payment of freight income. The Company aims at trading with creditworthy counterparties. The credit risk involved in relation to allowing our customer to issue prepaid bills of lading on vegetable oil freights is mitigated by keeping the bill of lading in our control until payments are received. Sometimes it can be possible to take arrest in the cargo after it has been discharged. However, a default of a charterer will always impose potential loss for the Company. The maximum exposure to credit risk is the Trade receivable balance of USD 43.9 million (2010: USD 43.0) and the Other non-current assets balance of USD 2.0 million (2010: USD 6.0 million).

Derivative instruments are only entered into with highly rated financial institutions, which mean that the credit exposures for these transactions are expected to be at an acceptable level.

Capital management

As stated above, in note 24 and in the Board of director's report, the Company has retained ABG Sundal Collier Norge ASA as financial advisor in order to assist in evaluating the Company's alternatives to ensure adequate liquidity shorter term as well as provide for longer term financial strength and flexibility. Although, there is substantial risk with regards to the result of this process, these financial statements have been prepared based on the going concern assumption.

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Eitzen Chemical manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital using a gearing ratio. As of 31 December 2011,

the Company's equity ratio was 9 per cent (2010: 16 per cent). There is high risk associated with the current leverage of the Company if the current weak chemical tanker market continues. Assessing measures to strengthen the balance sheet is an integrated part of the current process of evaluating the Company's alternatives to achieve longer term financial strength and flexibility

Note 24 – Subsequent events

The Company announced on 16 January 2012 that in view of the continued slow rate of improvement in the chemical tanker market and the agreement with bank lenders stipulating the recommencement of fixed debt instalments as from the fourth quarter of 2012, Eitzen Chemical ASA has commenced a process to evaluate its various options to ensure adequate, longer term financial strength and liquidity. The Company has retained ABG Sundal Collier Norge ASA as financial advisor to assist in this respect.

Consultores de Navegacion S.A. ("CdN"), a pool partner in the Team Tankers Pool ("TTAS", entity 100 per cent controlled by Eitzen Chemical), has claimed USD 6 million in payment from the pool. CdN applied for summary judgment in London on 24 January 2012. On 25 January 2012, TTAS issued its Defence and Counter-claim as the claimed payment would constitute a prepayment not in accordance with the pool agreement. The application was heard in London on 13 March 2012, and CdN's application for summary judgment was dismissed. In relation to the same case, a ruling was made by Oslo City Court on 27 January 2012 where CdN was awarded the arrest of assets belonging to TTAS of up to USD 8 million. On this basis, a pledge of USD 8 million has been placed on one of TTAS accounts in Nordea Bank Norge ASA. A request for oral proceedings was sent to Oslo City Court on 10 February 2012, and will take place in April 2012. TTAS expects a favorable ruling on what is considered an unfounded pledge of funds.

Income Statement – Parent Company

(NOK '000, except per share data)

	Note	2011	2010
Management fees and other income		25 942	29 943
Gross profit		**25 942**	**29 943**
Salaries	2	-19 904	-19 787
General and administrative expenses	2	-13 715	-11 105
EBITDA (Earnings before interest, taxes, depreciation and amortisation)		**-7 677**	**-949**
Depreciation	3	-142	-214
EBIT (Earnings before interest and taxes)		**-7 819**	**-1 163**
Impairment financial assets	6, 7	-1 051 758	-543 918
Interest income	4	30 564	32 934
Interest expenses	4	-37 647	-39 391
Other financial items	4	36 854	47 022
Profit (loss) before taxes		**-1 029 807**	**-504 516**
Income tax expenses	5	-	5 600
Net profit (loss)		**-1 029 807**	**-498 916**
Attributed to other equity		-1 029 807	-498 916
Earnings per share – basic/diluted earnings per share	11	NOK -1.04	NOK -0.66

Statement of Financial Position – Parent Company

(NOK '000)

	Note	31.12.2011	31.12.2010
ASSETS			
Property, plant and equipment	3	857	999
Total tangible non-current assets		**857**	**999**
Investments in subsidiaries	6	760 436	1 518 562
Receivables, Group companies	7	309 690	201 528
Related party receivables		404	-
Total financial non-current assets		**1 070 530**	**1 720 090**
Total non-current assets		**1 071 387**	**1 721 089**
Related party receivables		-	71
Other receivables		2 306	1 076
Cash and short-term deposits		216 007	304 436
Total current assets		**218 313**	**305 583**
TOTAL ASSETS		**1 289 701**	**2 026 672**
EQUITY AND LIABILITIES			
Share capital		846 017	754 178
Share premium		-	111 344
Treasury shares		-758	-1 010
Other paid in capital		-	4 807 071
Total paid in capital		**845 259**	**5 671 583**
Other equity		-237 200	-4 322 912
Total equity	11	**608 059**	**1 348 671**
Bond loan	9	639 350	633 646
Loans, Group companies	7	22 325	33 411
Pension liability	8	3 370	4 468
Total non-current liabilities		**665 045**	**671 525**
Related party payables		244	363
Trade and other payables		16 353	6 113
Total current liabilities		**16 597**	**6 476**
Total liabilities		**681 642**	**678 001**
TOTAL EQUITY AND LIABILITIES		**1 289 701**	**2 026 672**

Cash Flow Statement – Parent Company

(NOK '000)

	Note	2011	2010
Profit/loss (-) before taxes		-1 029 807	-504 516
Amortisation of share-based payments		2 498	3 768
Impairment of financial assets	6, 7	1 051 758	543 918
Depreciation	3	142	214
Amortisation of borrowing cost		3 048	3 081
Interest expenses	4	37 647	39 391
Interest income	4	-30 564	-32 934
Foreign currency (gain) loss		-37 884	-36 144
Change in pension funds		-1 098	1 099
Change in current assets		-1 147	8 113
Change in current liabilities		881	-9 928
Tax received	5	-	5 600
Net cash flows from operating activities		**-4 525**	**21 662**
Net cash flows from intercompany debt and receivables		-389 205	-298 981
Interest received		30 148	32 990
Investment in subsidiaries		-	-238
Net cash flows from investing activities		**-359 057**	**-266 229**
Net proceeds from issuance of shares	11	286 697	-
Interest paid		-28 407	-39 389
Net cash flows from financing activities		**258 290**	**-39 389**
Net change in cash and cash equivalents		**-105 292**	**-283 956**
Effect of exchange rate changes on cash		16 864	13 492
Cash and cash equivalents at 1 January		304 436	574 900
Cash and cash equivalents at 31 December		**216 007**	**304 436**
Of which:			
Restricted bank deposits regarding employment tax payable		3 149	2 567

Notes to the Financial Statements – Parent Company

Note 1 - Summary of significant accounting policies

General
The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles (NGAAP). The Financial Statements for the Parent Company is reported in NOK.

Revenue recognition
Management fee and other income are recognised at the time of delivery of the services.

Use of estimates
Management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway. The preparation of the financial statements is based on available information at the time of finalising the financial information. Actual outcome may differ. The effects of changes in accounting estimates are accounted for in the same period at the estimates are changed.

Foreign currencies
Amounts in currencies other than NOK are translated into NOK at the exchange rate at the date of the transaction. Realised and unrealized currency gains and losses are recognised in the profit and loss account as financial income and expenses. Short-term accounts receivable and payable in other currencies than NOK are stated at the rate of exchange at the balance sheet date or at the hedged rate.

Income tax
The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been off set. The disclosure of deferred tax benefits on net tax reducing differences which have not been offset, and carry forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net. Deferred tax is reflected at nominal value.

Balance sheet classification
Current assets and short term liabilities consist of receivables and payables due within one year. Other balance sheet items are classified as non-current assets / liabilities. Current assets are valued at the lower of cost and fair value. Current term liabilities are recognized at nominal value. Non-current assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognized at nominal value.

Property, plant and equipment
Property, plant and equipment are capitalised and depreciated over the estimated useful economic life. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Depreciation is recognised on a straight-ling basis provided over the expected useful lives of the individual assets less estimated scrape value on the date of purchase, using the following useful lives:

Operating equipment	3–10 years
Computer hardware and software	3–5 years

Investments in subsidiaries
Subsidiaries and investments in associates are valued at cost in the Company accounts. The investments are valued at cost less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if there is an indication that the economic circumstances under which the impairment loss were provided for have changed. Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Pension Cost, Funding and Obligations
The company has set up a defined benefit scheme with a life insurance company to provide pension benefits for its employees. The scheme provides entitlement to benefits based on future service from the commencement date of the scheme. These benefits are principally dependent on an employee's pension qualifying period, salary at retirement age and the size of benefits from the National Insurance Scheme. Full retirement pension will amount to approximately 66 per cent of the scheme pension-qualifying income (limited to 12G). The scheme also includes entitlement to disability, spouses and children's pensions. The retirement age under the scheme is 67 years.

The company may at any time make alterations to the terms and conditions of the pension scheme and undertake that they will inform the employees of any such changes. The benefits accruing under the scheme are funded obligations. The company also has pension obligations for employees with salaries exceeding 12G. These are non-funded obligations. Changes in the pension obligations as a result of changed actuarial assumptions and variations between actual and anticipated return on pension funds will be entered on the average remaining earnings period according to the "corridor" regulations.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.
The cash flow statement is prepared using the indirect method.

Treasury shares
Treasury shares are recognised as a separate component of equity at cost. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of own equity instruments. Any differences between the carrying amount and the consideration are recognised in other equity.

Share-based payment
Executive management participates in a share-based incentive program, where the employees are granted share options. The program does not provide the choice of cash settlement instead of shares. The fair value of the shares and options are measured at the grant date and is recognised in the income statement under General and Administrative expenses over the vesting period. The fair value of the award program is calculated based on the Black-Scholes model.

Related parties
All transactions between related parties are based on the arm's length principle, which means that they are recorded at (estimated) market value.

Note 2 - Salaries and remuneration

(NOK '000)

	2011	2010
Wage and salaries	17 962	17 326
Social security contributions	1 682	2 009
Other	259	452
Total salaries	**19 904**	**19 787**

The average number of employees in 2011 was 8 (2010: 6).

	Remuneration	Pension	Bonus	Total
Executive Management				
Terje Askvig, CEO [1)]	4 494	616	-	5 109
Per-Hermod Rasmussen, CFO [1)]	2 603	289	-	2 892
Geir Frode Abelsen, CTO	1 507	117	-	1 625
Board members				
Bjørn Johan Sjaastad [2)]	360	-	-	360
Carl Erik Steen	240	-	-	240
Aage Rasmus Bjelland Figenschou [2)]	300	-	-	300
Helene Jebsen Anker	300	-	-	300
Helene Marie Petersen	300	-	-	300
Axel C. Eitzen [3)]	123	-	-	123
James Stove Lorentzen [3)]	75	-	-	75
Total remunerations	**10 302**	**1 022**	**-**	**11 324**

1) Included in the remuneration for 2011 are the termination payments for Terje Askvig and Per-Hermod Rasmussen. Terje Askvig resigned on 15 December 2011 and Per-Hermod Rasmussen resigned on 31 January 2012.
2) In addition to ordinary board fee as stated above, Bjørn J. Sjaastad and Aage R. B. Figenschou received fees for additional consultancy services. See note 8 in the financial statement for the Group for further information.
3) Axel C. Eitzen and James Stove Lorentzen resigned from the Board of Directors on 9 May 2011

Compensation to the Board

Currently the Chairman of the Board receives an annual remuneration of NOK 450,000 and the other board members will receive an annual remuneration of NOK 300,000.

The Board of Directors' statement of guidelines for the remuneration of the Executive Management Pursuant to section 6-16a if the Public Limited Companies Act, the board of directors must draw up a statement of guidelines for the payment and other remuneration of Executive management. Furthermore, section 5-6 (3) of the same Act prescribes that an advisory vote must be held at the AGM on the board's guidelines for the remuneration of the Executive Management for the next financial year. To the extent the guidelines concern share-based incentive arrangements theses must also be approved by the AGM.

Regarding guidelines for remuneration to the Executive Management for the next financial year, the board will present the following guidelines to the AGM in 2012 for an advisory note.

- Remuneration to the CEO shall be decided by the Board in a Board meeting.
- Remuneration to other members of the Executive Management will be decided by the CEO on relevant directions approved by the Board. The remuneration shall be on market terms.

- The remuneration shall encourage value creation for the Company and all bonus agreements shall be linked to value creation for the Company.

Share-based payment plan

Eitzen Chemical has a share option program to attract, retain and motivate the Company's key management personnel and to better align their interests with those of the shareholders. No share option program has been set up for the Board of Directors. See note 8 in the financial statement for the Group for further information.

Expenses arising from equity-settled share-based payment

	2011	2010
Expenses included in the salaries in the income statement	2 498	3 768
Total	**2 498**	**3 768**

For further information regarding the share-based payment plan refer to note 8 in the financial statement for the Group.

Remuneration to the auditor (ex VAT)

	2011	2010
Statutory audit	825	825
Other assurance services	99	57
Tax assistance	5	-
Other non-assurance services	-	-
Attestation services booked directly on equity	35	-
Total	**964**	**882**

Note 3 – Property, plant and equipment

(NOK '000)

	2011	2010
At 1 January, net of accumulated depreciation	999	1 213
Depreciation for the year	-142	-214
At 31 December, net of accumulated depreciation	**857**	**999**
At 31 December		
Cost	1 974	1 974
Accumulated depreciation	-1 117	-975
Net carrying amount	**857**	**999**

Fixed assets are depreciated on a straight-line basis. The useful life of the assets is estimated to be 3-10 years.

Note 4 - Financial income and expenses

(NOK '000)

Interest income

	2011	2010
Interest income on intercompany receivables	28 830	30 448
Bank interest	1 734	2 384
Other interest	-	102
Total interest income	**30 564**	**32 934**

Interest expenses

	2011	2010
Bond loan, finance institutions	36 635	38 733
Interest expenses on intercompany receivables	1 012	656
Other interest	1	2
Total interest expenses	**37 647**	**39 391**

Other financial items

	2011	2010
Net currency gain	37 884	36 144
Dividend from subsidiaries	5 504	16 198
Other financial expenses	-6 534	-5 320
Total other financial items	**36 854**	**47 022**

The net currency gain is primarily related to intercompany receivables and debt in USD.

Note 5 - Taxes

(NOK '000)

Income tax expense include the following items	**2011**	**2010**
Tax payable	-	-
Changes in deferred taxes	-	-
Tax adjustments previous years	-	-5 600
Income tax expense	-	**-5 600**
Profit before tax	-1 029 807	-504 516
Non-deductible expenses	2 617	3 728
Income and expense not subject to taxes	-5 504	-
Permanent differences	1 012 415	515 151
Change in temporary differences	1 962	4 168
Taxable income	**-18 316**	**18 530**
Use of tax loss carried forward and other tax credits	-	-
Group contribution	10	16 198
Taxable income	**-18 306**	**34 728**

Effective tax rate	**2011**	**2010**
Profit before taxes	-1 029 807	-504 516
Expected income tax based on a tax rate of 28 %	-288 346	-141 264
Non-deductible expenses	733	1 044
Share issuance cost	-3 465	-
Income not subject to income taxes	-1 541	-
Taxable gain (loss) from subsidiaries	-	-3 519
Tax effect of asset impairment	286 942	152 297
Tax loss carried forward and other tax credits	5 129	-15 324
Tax effect of changes in other temporary differences	549	1 167
Income tax expense	-	**-5 600**
Effective tax rate in %	0 %	1 %
Deferred tax assets/(liabilities)		
Fixed assets	-72	-66
Pension obligation	943	1 251
Amortization of borrowing costs	-129	-993
Tax loss carried forward	63 900	59 061
Deferred tax assets/(liabilities)	**64 642**	**59 254**
Deferred tax assets not recorded in balance sheet	-64 642	-59 254
Deferred tax liabilities in balance sheet	-	-

Net deferred tax liabilities in limited partnerships as of 31 December 2011 amounts to NOK 17.2 million (2010: MNOK 19.3). Tax positions in limited partnerships are not recorded since it is considered as unlikely that this tax positions will be taxable with the owner.

Note 6 - Investments in subsidiaries

(NOK '000)

Subsidiaries	**Country of incorporation**	**Year of acquisition**	**Nominal share capital**	**Interest**	**Carrying value 2011**	**Carrying value 2010**
Eitzen Chemical Shipholding AS	Norway	2006	NOK 40 100	100 %	-	232 500
Team Shipping AS	Norway	2006	NOK 343	100 %	306	306
Eitzen Chemical (Danmark) A/S	Denmark	2006	DKK 500	100 %	47 149	47 149
Napoli Chemical KS [1)]	Norway	2007	NOK 83 500 [2)]	75 %	-	-
Napoli Chemical AS	Norway	2007	NOK 100	100 %	100	12 893
Eitzen Chemical (Singapore) Pte.Ltd. [3)]	Singapore	2010	USD 382 257	72 %	712 643	1 225 476
Eitzen Chemical Invest (S) Pte.Ltd.	Singapore	2010	USD 38	100 %	238	238
Total interest in subsidiary undertakings					**760 436**	**1 518 562**

1) Remaining share of Napoli Chemical KS is owned by Napoli Chemical AS, and Eitzen Chemical ASA is consequently controlling 100 % of Napoli Chemical KS.

2) Nominal share capital in Napoli Chemical KS is paid in capital in the partnership

3) Remaining share of Eitzen Chemical (Singapore) Pte. Ltd is owned by Eitzen Chemical Shipholding, and Eitzen Chemical ASA is consequently ultimately controlling 100 % of Eitzen Chemical (Singapore) Pte. Ltd.

Impairment of investments in subsidiaries

	2011	2010
Eitzen Chemical Shipholding AS	232 500	-
Napoli Chemical AS	-	4 400
Eitzen Chemical (Singapore) Pte.Ltd	512 833	409 000
Total impairment of investments in subsidiaries	**745 333**	**543 918**

The Company has performed an impairment test based on the same principles as described in note 12 to the Group's financial statement. If vessels are sold or disposed in a distressed situation before the estimated improved market rates used in the impairment test has materialized, it is a risk that the company might experience further losses or impairment charges on its shares. See note 12 in the Groups financial statements for further information.

Note 7 - Receivables and debt to group companies

(NOK '000)

	2011	2010
Eitzen Chemical (Denmark) A/S	-	97 507
Eitzen Chemical A/S	-	46 199
Eitzen Chemical (Singapore) Pte.Ltd.	286 359	39 908
Eitzen Chemical Shipholding AS	-	16 198
Eitzen Chemical Invest (S) Pte.Ltd.	22 424	1 663
Eitzen Chemical (France) S.A.S.	-	52
Eitzen Chemical Shipping & Trading Pte. Ltd.	906	-
Team Shipping AS	-405	-4 931
Napoli Chemical AS	-99	-12 856
Eitzen Chemical (USA) L.L.C.	-21 124	-15 624
Eitzen Chemical Shipholding AS	-652	-
Eitzen Chemical (Spain) S.A.	-45	-
Receivables from Group companies	309 690	201 528
Debt to Group companies	-22 325	-33 411
Net receivables from Group companies	**287 365**	**168 117**

The Group debt and receivables are interest-bearing. The debt is denominated in USD.

Impairment of receivables from Group companies

	2011	2010
Eitzen Chemical A/S	67 762	-
Eitzen Chemical (Singapore) Pte.Ltd.	206 070	-
Eitzen Chemical Invest (S) Pte.Ltd.	52 803	-
Sichem Pearl Shipping Co.Pte.Ltd.	283	-
Napoli Chemical KS	41 516	89 518
Eitzen Chemical (France) SAS *	-62 008	41 000
Total impairment receivables from Group companies	**306 425**	**130 518**

* The 2011 reversal of impairment is the net of a reversal of NOK 89.0 million and a realized loss of NOK 27.0 million.

Note 8 - Pensions and other post employment benefit plans

The Company has established defined benefit plans, which are funded through insurance companies. The Company's funds are managed by an independent life insurance company that invests the Company's funds according to Norwegian law. All employees are part of the pension scheme.

(NOK '000)

	2011	2010
Net benefit expense (recognised in administration expenses):		
Current service cost	1 886	1 427
Interest cost	244	164
Expected return on plan assets	-102	-50
Administration fee	24	22
Amortization of actuarial losses/(gains)	-2 673	13
Payroll taxes	286	217
Total pension cost (- income)	**-335**	**1 792**
The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	3 721	2 690
Fair value of plan assets	-2 270	-1 286
	1 451	**1 404**
Present value of unfunded obligations	2 605	3 418
Unrecognised actuarial gains/(losses)	-1 640	-1 034
Payroll taxes	954	680
Net benefit obligation (asset)	**3 370**	**4 468**
Net benefit obligation is classified in the balance sheet as follows:		
Asset	-	-
Liability	3 370	4 468
	-3 370	**-4 468**

In the balance sheet a net pension asset in one scheme is only offset against an obligation in another scheme to the extent that it is possible to fund the net obligation scheme with the assets.

Changes in the present value of the defined benefit obligation are as follows:	2011	2010
Beginning of year	6 108	3 146
Current service cost	1 886	1 427
Interest cost	244	164
Actuarial losses (gain)	794	1 371
End of year	**9 032**	**6 108**

Changes in the fair value of plan assets are as follows:	2011	2010
Beginning of year	1 286	538
Expected return on plan assets	102	50
Actuarial (losses)/gains	191	-247
Employer contributions	669	964
Administration	-21	-19
End of year	**2 227**	**1 286**
The principal actuarial assumptions used were as follows:		
Discount rate	2.60 %	4.00 %
Expected return on plan assets	4.10 %	5.40 %
Future salary increases	3.50 %	4.00 %
Future pension increases	0.10 %	1.40 %

The assumptions used for death and disability are standardised assumptions well known in the insurance business. The Company's pension scheme qualifies as mandatory occupational pension according to the Norwegian law regulations.

Note 9 – Bond loan

In connection with the establishment of the Company in October 2006, Eitzen Chemical ASA launched a bond issue totalling NOK 490 million and USD 25 million. The bonds carry interest of NIBOR + 3.5 per cent and LIBOR + 3.5 per cent, respectively. The bond loan agreement was amended subsequently with the financial restructuring of the Company in September 2009. Final maturity was postponed from 2011 to October 2014, with 103 per cent of par value payable on maturity. Eitzen Chemical has an option to redeem the loan at 100 per cent of par in 2012, and 101.5 per cent of par in 2013. The minimum value adjusted equity ratio covenant was replaced by an "aggregated secured Company loan to value" covenant (based on independent shipbroker valuations), effective from the moratoria expiry date (6 November 2012). No security was provided for the bonds. The Company was in compliance with all existing financial covenants at 31 December 2011.

Note 10 – Commitments and guarantee

Eitzen Chemical ASA is the guarantor of some of the loans in the Company; the guarantees are listed below;

- Eitzen Chemical (Singapore) Pte Ltd. has a USD 510 million facility agreement with final maturity in July 2014. Eitzen Chemical ASA is the guarantor of the loan. The facility is secured by a first priority charge inter alia in vessels and proceeds from the vessels.
- Eitzen Chemical (Singapore) Pte Ltd. has a USD 265 million credit facilities agreement with final maturity in July 2014. Eitzen Chemical ASA is the guarantor of the loan. The facility is secured by a first priority charge inter alia in vessels and proceeds from the vessels.
- Eitzen Chemical (Singapore) Pte Ltd. has a USD 170 million credit facilities agreement with final maturity in July 2014. Eitzen Chemical ASA is the guarantor of the loan. The facility is secured by a first priority charge inter alia in vessels and proceeds from the vessels.
- The Company's subsidiary Napoli Chemical KS has a loan agreement of USD 36 million for the purpose of financing the purchase of Napoli Chemical KS' four vessels. The loan is secured by inter alia a mortgage over the relevant vessels and a guarantee from the Company. Final maturity is in July 2014.
- The Company's subsidiary Eitzen Chemical Invest (Singapore) Pte.Ltd, the new vessel owning entity of the vessel Tour Pomerol has entered into a loan agreement of USD 4,700 000. The loan is secured inter alia by a mortgage over the vessel Tour Pomerol and a guarantee from the Company. Final maturity is in July 2014.

- The Company's subsidiary Sichem Pearl Shipping Co. Pte. Ltd. has entered into a loan agreement in the amount of USD 15,000 000. The loan is secured by inter alia a mortgage over the relevant vessels Sichem Croisic and Sichem Pearl and a guarantee from the Company. Final maturity is in July 2014.

Eitzen Chemical ASA is the guarantor for some of the charter parties in the Company; the guarantees are listed below:

- The Sichem Defender charter party commitments are guaranteed by Eitzen Chemical ASA, on behalf of Eitzen Chemical Shipping & Trading Pte. Ltd.
- The Sichem Mississippi and the Sichem Pace charter party commitments are guaranteed by Eitzen Chemical ASA, on behalf of Eitzen Chemical Singapore Pte. Ltd.

The vessel Ievoli Gold, which is owned by Napoli Chemical KS, a subsidiary of the Company, was in August 2006 arrested in Turkey in respect of a claim of USD 800,000. The vessel was released against a bank guarantee from Eitzen Chemical ASA and arbitration is initiated.

As of 31 December 2011, no provisions are made for the guarantees.

Note 11 – Equity

The Company has a share capital of NOK 846,016,742, which consist of 1,128,022,323 shares each with par value of NOK 0.75. The Annual General Meeting held on 9 May 2011 decided to reduce the share capital by reducing the par value from NOK 1 per share to a par value of NOK 0.75 per share. The share capital reduction has been allocated to a fund to be used as decided by the general meeting. All issued shares in the Company are of the same class and have the same rights in the Company. The number of outstanding shares increased in 2011 with 373,844,492 new shares through a private placement and a subsequent offering in June 2011.

(NOK '000)

	Share capital	Share premium reserve	Other paid in capital	Other equity	Total
Equity as of 1 January 2010	753 168	111 344	4 803 303	-3 823 996	1 843 819
Share incentive programme			3 768		3 768
Result of the year				-498 916	-498 916
Equity as of 31 December 2010	**753 168**	**111 344**	**4 807 071**	**-4 322 912**	**1 348 671**
Equity as of 1 January 2011	753 168	111 344	4 807 071	-4 322 912	1 348 671
Decreased nominal value	-188 544	-	188 544	-	-
Decreased nominal value own shares	252	-	-	-252	-
Increase in connection with private placement	278 953	18 597	-	-	297 550
Increase in connection with subsequent offering	1 430	95	-	-	1 525
Transaction cost	-	-12 378	-	-	-12 378
Share incentive programme	-	-	2 498	-	2 498
Result of the year	-	-	-	-1 029 807	-1 029 807
Accumulated loss transfered to share premium reserve and other paid in capital	-	-117 658	-4 998 113	5 115 771	-
Equity as of 31 December 2011	**845 259**	**-**	**-**	**-237 200**	**608 059**

For further information refer to the description in note 17 in the financial statements for the Group.

Shareholder information
Shareholders as of 31 December 2011 specified below:

Name:	Number of shares	Ownership
Jason Shipping ASA	383 532 236	34,0%
SEB Enskilda ASA	56 398 182	5,0%
Dnb nor markets, aksjehand/analyse	55 000 001	4,9%
JP Morgan Clearing Corp.	53 505 075	4,7%
Odin Maritim	17 430 831	1,5%
Apollo Asset Limited	15 945 000	1,4%
Morgan Stanley &Co LLC	15 402 474	1,4%
Hustadlitt A/S	14 945 000	1,3%
MP Pension PK	14 011 700	1,2%
Sabaro Investments Ltd	12 700 000	1,1%
Other	488 141 824	43,3%
Total numbers of shares excluding treasury shares	**1 127 012 323**	**99,9%**
Treasury shares at 31 December 2011	1 010 000	0,1%
Total numbers of shares including treasury shares	**1 128 022 323**	**100,0%**
Total number of shareholders	2 338	
Foreign ownership	207 143 733	18,4%

Earnings per share
Basic and diluted earnings per share amounts are calculated by dividing net consolidated profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. The diluted earnings per share are the same as basic earnings per share for 2011 and 2010. The following table reflects income and share data used in total operations basic and diluted earnings per share computations:

	2011	2010
Net profit attributable to equity holders (NOK '000)	-1 029 807	-498 916
Number of shares outstanding end of period ('000)	1 127 012	753 168
Weighted average number of ordinary shares for diluted earnings per share ('000)	991 673	753 168
Earnings per share - basic/diluted earnings per share (NOK)	**-1.04**	**-0.66**

The Board proposes that no dividend will be paid for the fiscal year 2011.

Treasury shares are not included in the weighted average number of shares. Shares under the share option program are not included since they are out of money.

Note 12 – Related party transactions

(NOK '000)

Related party	Type of transaction	Sale to / purchase from 2011	2010
Entities with significant influence over the Company:			
Jason Shipping ASA	Corporate administration	-46	1 991
Jason Shipping ASA	Rent	-1 351	-1 548
Companies which are/were a part of the JSHIP Group or controlled by a related party:			
Eitzen Holding AS	Corporate administration	-	57
Eitzen Maritime Services ASA [1)]	Corporate administration	16	74
Eitzen Gas Carriers A/S	Corporate administration	-	28
Camillo Eitzen (Danmark) A/S	Corporate administration	-286	-612
Eitzen IT A/S [1)]	IT services	-1 970	-323
EMS Insurance Brokers AS [2)]	Insurances	-	-298
Aage Figenschou AS [3)]	Consultancy services	-141	-417
Bsc - Bjørn Sjaastad Consulting [4)]	Consultancy services	-720	-
Companies which are a subsidiary:			
Sichem Pearl Shipping Co Pte Ltd	Advisory fee	850	486
Sichem Pearl Shipping Co Pte Ltd	Interest income	283	-
Eitzen Chemical (Singapore) Pte Ltd	Advisory fee	19 125	22 850
Eitzen Chemical (Singapore) Pte Ltd	Interest income	18 324	24 086
Eitzen Chemical Shipping & Trading Pte Ltd	Advisory fee	3 825	4 376
Eitzen Chemical Invest (Singapore) Pte.Ltd.	Advisory fee	425	-
Eitzen Chemical Invest (Singapore) Pte.Ltd.	Interest income	734	-
Team Shipping AS	Interest expense	-150	-95
Team Shipping AS	Group contribution	10	-
Napoli Chemical AS	Group contribution	13 386	-
Napoli Chemical AS	Interest expense	-392	-273
Napoli Chemical KS	Advisory fee	1 700	1 945
Napoli Chemical KS	Interest income	5 945	2 937
Eitzen Chemical A/S	Corporate administration	-1 671	-1 661
Eitzen Chemical A/S	Interest income	1 600	284
Eitzen Chemical (Denmark) A/S	Interest income	1 366	1 956
Eitzen Chemical Shipholding AS	Group contribution	-	16 198
Eitzen Chemical (France) S.A.S	Interest income	578	1 185
Eitzen Chemical (USA) L.L.C.	Interest expense	-470	-288

1) The company was controlled by Jason Shipping ASA until 21 December 2011. Transaction balances include all transactions up to that date.
2) The company was controlled by Jason Shipping ASA until 21 December 2010.
3) The company is controlled by Aage Rasmus Bjelland Figenschou.
4) The company is controlled by Bjørn J. Sjaastad.

Oslo, 23 March 2012

The Board of Directors of Eitzen Chemical ASA

Bjørn Johan Sjaastad
Chairman of the Board

Carl Erik Steen

Aage Rasmus Bjelland Figenschou

Helene Jebsen Anker

Heidi Marie Petersen

Per Sylvester Jensen
Chief Executive Officer

Statement of responsibility

We confirm to the best of our knowledge that the consolidated financial statements for 2011 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as additional information requirements in accordance with the Norwegian Accounting Act, that the financial statements for the parent company for 2011 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and result of Eitzen Chemical ASA and the Eitzen Chemical Group for the period. We also confirm to the best of our knowledge that the Board of Directors' Report includes a true and fair review of the development, performance and financial position of Eitzen Chemical ASA and the Eitzen Chemical Group, together with a description of the principal risks and uncertainties that they face.

Oslo, 23 March 2012

The Board of Directors of Eitzen Chemical ASA

Bjørn Johan Sjaastad
Chairman of the Board

Carl Erik Steen

Aage Rasmus Bjelland Figenschou

Helene Jebsen Anker

Heidi Marie Petersen

Per Sylvester Jensen
Chief Executive Officer

Corporate Governance

The main objective for Eitzen Chemical's principles for good corporate governance is to develop a strong sustainable and competitive company in the best interest of the shareholders, employees, business associates, third parties and society at large.

With reference to the Norwegian Code of Practice for Corporate Governance issued on 21 October 2009, and revised on 21 October 2010 and 20 October 2011 (the "Code"), the following chapter explains how Eitzen Chemical complies with each of the recommendations therein or explains why an alternative approach has been chosen according to the "comply or explain" principle.

Implementation and reporting on corporate governance
The Board ensures that Eitzen Chemical is being subject to good corporate governance, and that the Company complies with all applicable laws and regulations in this respect as well as the Code.

Eitzen Chemical is committed to ethical business practices, honesty and fair dealing throughout the Company and has developed its own Corporate Social Responsibility Guideline and Code of Conduct, which focus on ethical behaviour in everyday business activities to be followed by all employees.

The Corporate Social Responsibility Guideline, the Corporate Governance principles and the Code of Conduct are published on the Company's website.

The topic of corporate governance is subject to annual assessment and discussion by the Board.

Business
With reference to the articles of association, Eitzen Chemical's objective is to "be engaged in shipping, portfolio investments and related business, including participating in companies engaged in similar business."

Eitzen Chemical has developed a clear strategy to be a leading carrier of chemical products worldwide. This annual report presents the goals and main strategy of Eitzen Chemical.

Equity and dividends
As of 31 December 2011 the equity of the Company was USD 104.1 million which gives an equity ratio of 9 per cent. Total equity decreased by USD 101.3 million compared to 2010 due to the negative result for the year, including impairment of vessels of USD 62.5 million, partly offset by the share issues. As announced on 16 January 2012, the Company has retained ABG Sundal Collier Norge ASA as financial advisor to assist the Company in the ongoing process to strengthen the Company's financial position.

As further described in Note 17 of the 2011 Annual Report, the Company completed a private placement of USD 55 million in May 2011. A subsequent share issue, directed at the Company's shareholders whom were not given the opportunity to participate in the said private placement, was completed in June 2011. As per 31 December 2011 the registered share capital of the Company was NOK 846,016,742.25.

Eitzen Chemical aims to provide competitive long-term return to its shareholders. As part of the overall agreement with its banks in 2009, the Company has agreed not to pay dividend nor repurchase own shares before the maturity of its debt in 2014 without a prior approval from the banks.

On the annual general meeting held 25 May 2010 the Board was granted a power of attorney to issue up to 18,854,446 new shares to be able to fulfil the Company's obligations under its stock option program. This mandate may be utilized for one or more share issues and is valid until the annual general meeting in 2012.

The Board was also on the annual general meeting held 9 May 2011, granted a power of attorney to issue up to 168,917,299 new shares, each with a nominal value of NOK 0.75 (which equals 15 per cent of the total outstanding amount of shares.) This mandate may be utilized for one or more share issues and is valid until the annual general meeting in 2012.

Equal treatment of shareholders and transactions with close associates
Eitzen Chemical has one class of shares and each share entitles the holder to one vote. The shares are registered with the Norwegian Registry of Securities.

As the timing was important for a successful equity raise in Q2 2011, the share issue was executed as a private placement, where the shareholders waived the pre-emptive rights at the general meeting. To ensure fair and equal treatment of all shareholders, a subsequent repair issue was completed in June 2011.

Any transactions the Company may carry out in its own shares (subject to paragraph two of "Equity and dividends" above) will be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. All trades will be reported to the Oslo Stock Exchange.

The Company has established a "Code of Conduct" which applies to all employees and the Board, and promotes core values including transparency and integrity. The members of the Board and executive personnel are required to notify the Board if they have any interest in any transaction entered into by the Company.

Freely negotiable shares
All the Company's shares carry equal rights and are freely negotiable.

General meetings
Eitzen Chemical seeks to ensure that as many shareholders as possible are able to exercise their rights by participating in general meetings and that general meetings are an effective forum for the views of shareholders and the Board. The general meeting is held every year before the end of June. The date of the 2011 annual general meeting was 9 May 2011.

The shareholders may notify the Board in writing of issues for consideration at the general meetings within seven days prior to the company's notice as per below.

Notices of general meetings are published and distributed by mail no later than 21 days prior to the date of the general meeting. Within the same time the notice is also made available on the Company's website together with the supporting information. The shareholders may give notice of their intent to be represented at the meeting by mail or fax within three business days prior to the meeting. Shareholders who are unable to attend may vote by proxy. Proxy forms which allow separate voting instructions to be given for each matter to be considered by the meeting, and separate voting for each candidate nominated for election, are available with the notice. The Company will make a person available to vote on behalf of shareholders as their proxy.

The Chairman of the Board, the auditor, the CEO and the CFO are present at the general meetings to answer questions. The remaining members of the Board, the nomination committee and other executives attend as necessary.

The general meetings are declared open by the Chairman of the Board who proposes a chairman for the meeting to be elected by the general meeting.

Nomination Committee
The nomination committee is laid down in the Company's articles of association. The current committee is composed of Andreas Mellbye as chairman and Jan Fredrik Eriksen as member whom both are elected for the period ending on the date for the annual general meeting in 2012.

The nomination committee guidelines were approved by the annual general meeting 9 May 2011.

Corporate Assembly and Board of Directors, composition and independence
The Company is not required to have a Corporate Assembly and has chosen not to include such requirement to its articles of association.

The Board, including its chairman are nominated by the nomination committee and elected by the general meeting. According to the articles of association the Board shall consist of minimum three and maximum seven members. The current Board and its chairman were elected by the annual general meeting held 9 May 2011 for two years. The Board is composed of Bjørn J. Sjaastad (chairman), Helene J. Anker, Heidi M. Petersen, Carl Erik Steen and Aage Figenschou. Bjørn J. Sjaastad, Helene J. Anker, Heidi M. Petersen and Carl Erik Steen are all independent of the Company's largest shareholder, the Company's executives and its material business relations. Aage Figenschou was on the Board of the Company's largest shareholder Jason Shipping ASA which as of 31 December 2011 held 34.0 per cent of the Company's outstanding shares. Effective from 1 February 2012, Aage Figenshou resigned from the Board of Jason Shipping ASA and took up the position as the Chief Executive Officer of Jason Shipping ASA. The Board does not normally include executive personnel, although Bjørn J. Sjaastad has from May 2011 been delegated additional tasks by the Board under a consultancy agreement.

A summary of the members of the Board's professional background is available on the Company's website. The board members record of attendance is in general very good.

The members of the Board are encouraged to own shares in the Company. Further information about the members of the Board's shareholdings as of 31 December 2011 can be found in note 17 to the financial statements. The number of employees in the Group per 31 December 2011 was 87 on shore and 1,340 crew members. The Company's employees are not represented in the Board of Eitzen Chemical.

The work of the Board
The law stipulates the responsibilities of the Board to include the overall management and oversight of the Company.

In 2011, eighteen regular meetings were held. Four of the meetings dealt with the quarterly financial reports, one covered strategic matters and one meeting reviewed and approved next year's budget. The auditor participated in two Board meetings prior to the announcement of the fourth quarter 2011 results and 2011 annual report.

In addition to the regular Board meetings, the Board may also hold special meetings, either by telephone conference or by written resolution at the request of the chairman, the CEO or by any other Board member.

In 2010 the Board appointed a permanent audit committee, now composed of Bjørn J. Sjaastad as Chairman, Heidi M. Petersen and Helene J. Anker as members. In addition, the Board has appointed a permanent remuneration committee for 2011 onwards composed of Bjørn J. Sjaastad, Aage Figenschou and Helene J. Anker. These committees are both independent of the Company's largest shareholders and other material business relationships and do not make resolutions, but prepare matters for the Board's consideration within the committee's specialized area and supervise the work of the Company's management on behalf of the Board.

The Board has issued instructions for its own work and evaluates its performance and expertise annually.

Risk management and internal control
The Board is kept updated on Management and Company activities through reporting systems, including monthly financial statements. The Audit Committee pays special attention to financial risk management. The Company is also subject to extensive external control by its auditors, the ship classification societies, port and flag state control, and other regulatory bodies like IMO etc. The Management of Eitzen Chemical monitors that the Company acts in accordance to applicable law and regulations.

Remuneration of the Board
Remuneration of the Board is disclosed in note 8 to the financial statements. The remuneration reflects the Board's responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration is not linked to the Company's performance. The Company has not granted any share options to the Board members.

From May 2011 Bjørn J. Sjaastad has been delegated additional tasks by the Board. The remuneration for such additional services is NOK 90 000 ex. VAT per month.

Remuneration of executive personnel
The Board has established and the general meeting has approved the Board's guidelines for the remuneration of key personnel. Through the Company's stock option program and discretionary bonus scheme the financial interests of the key personnel and the shareholders are aligned. Further information about the stock option program can be found in the Board's guidelines for the remuneration of the key personnel.

Information and communication
Eitzen Chemical's communication to the market is based on openness and equal treatment of all participants in the securities market. Each December the Company publishes its financial calendar with the dates of major events for the coming year. In general the Company presents preliminary annual accounts together with the fourth quarter results in February. The Annual Report is normally published in late March or April. The Company publishes its accounts on a quarterly basis. All official communication is published simultaneously on both the Oslo Stock Exchange, and on the Company's website. In connection with the Company's presentation of its quarterly reports, open investor presentations are conducted at Shippingklubben, Haakon VII's gate 1, Oslo. The presentations are also available on webcast. The CEO reviews results and comments on markets and prospects and the CFO presents the main figures.

Eitzen Chemical also maintains an ongoing dialog with, and makes presentations to, analysts and investors. Care is taken to maintain an impartial distribution of information when dealing with shareholders and analysts.

Take-overs
There are no defence mechanisms against take-over bids in the Company's articles of association, nor have other measures been implemented to obstruct such take-overs. The Board will not seek to obstruct any takeover bid for the Company's activities or shares unless there are particular reasons for doing so. In the event of such a bid the Board will seek to comply with the recommendations made in section 14 in the Code and other relevant law and regulations.

Auditor
Eitzen Chemical has appointed Ernst & Young as its auditor. The auditor prepares an annual plan for the audit which is presented to the audit committee in the autumn each year. At least once a year the auditor present to the audit committee a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement. The auditor is present during the Board's discussion of the annual financial statements. At these meetings, the auditor reviews any material changes in the Company's accounting principles, comment on any material estimated accounting figures and report any material matters of contention between the auditor and the management. The Board has a special session with the auditor without the presence of the CEO or other members of the management.

In order to secure consistency in controls and audits of the Company, Eitzen Chemical generally uses the same audit firm for all subsidiaries worldwide. The Board is kept updated on the use of the auditor by the Company's executive management for services other than the audit. The Board report the remuneration paid to the auditor at the annual general meeting, including details of the fee paid for audit work and any fees paid for other specific assignments. Such details are found in note 8 to the financial statements.

ERNST & YOUNG

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To the Annual Shareholders' Meeting of
Eitzen Chemical ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Eitzen Chemical ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2011, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2011, the statements of income and comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

A member firm of Ernst & Young Global Limited

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Eitzen Chemical ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as of 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as of 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Emphasis of matter

Without qualifying our opinion, we draw attention to the Board of Director's Report and note 23 and note 24 in the Group's financial statements, which indicate that there is significant doubt about the ability to continue as a going concern due to the risk related to the Company's ability to meet its financial obligations. We also draw attention to note 12 in the Group's financial statements and note 6 in the Parent Company's financial statements which indicate that vessel values and shares in subsidiaries are based on value in use and do not reflect impairment charges or losses if the Company's assets are sold in the current prevailing market. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and the statement on corporate governance

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and the statement on corporate governance concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 23. March 2012
ERNST & YOUNG AS

Sondre Kvaalen
State Authorised Public Accountant (Norway)

Fleet list as of 31 December 2011

Owned and leased vessels

Vessel	DWT	Built	Flag	Ownership	IMO
Sichem Colibri	3,592	2001	MAL	Owned	II*
Sichem Sparrow	3,596	2001	MAL	Owned	II*
Ievoli Torquato	5,430	1992	UK	Owned	II*
Ievoli Silver	5,459	1992	UK	Owned	II*
Ievoli Attilio	6,239	1995	UK	Owned	II*
Ievoli Gold	6,999	1993	UK	Owned	II*
Sichem Croisic	7,721	2001	MAL	Owned	II*
Sichem Lily	8,000	2009	MAL	Owned	II*
Sichem Orchid	8,115	2008	MAL	Owned	II*
Sichem Iris	8,140	2008	MAL	Owned	II*
Tour Margaux	8,674	1993	MAL	Owned	II*
Sichem Palace	8,807	2004	SIN	Owned	II*
Sichem Amethyst	8,817	2006	PAN	Finance lease	II*
Sichem Ruby	8,824	2006	PAN	Finance lease	II*
Sichem Aneline	8,941	1998	MAR	Finance lease	II
Sichem Pearl	10,332	1994	SIN	Owned	II*
Tour Pomerol	10,379	1998	SIN	Owned	II*
Sichem Fumi	11,674	1996	PAN	Owned	II*
Sichem Challenge	12,181	1998	SIN	Owned	II*
Sichem Mississippi	12,273	2008	PAN	Operating lease	II*
Sichem Dubai	12,889	2007	MAL	Owned	II
Sichem Marseille	12,928	2007	SIN	Owned	II
Sichem Melbourne	12,937	2007	SIN	Owned	II
Sichem New York	12,945	2007	SIN	Owned	II
Sichem Hiroshima	13,000	2008	SIN	Operating lease	II
Sichem Montreal	13,056	2008	SIN	Owned	II
Sichem Beijing	13,068	2007	SIN	Owned	II
Sichem Hong Kong	13,069	2007	SIN	Owned	II
Sichem Paris	13,079	2008	SIN	Owned	II
Sichem Mumbai	13,084	2006	PAN	Finance lease	II
Sichem Onomichi	13,104	2008	SIN	Operating lease	II
Sichem Manila	13,125	2007	SIN	Owned	II
Sichem Singapore	13,141	2006	ITA	Owned	II
Sichem Edinburgh	13,153	2007	SIN	Owned	II
Sichem Rio	13,162	2006	ITA	Owned	II
Sichem Defiance	17,396	2001	MAR	Owned	II*
Sichem Contester	19,822	2007	SIN	Finance lease	II*
North Contender	19,925	2005	PAN	Finance lease	II*
North Fighter	19,932	2006	PAN	Finance lease	II*
Sichem Pace	19,983	2006	PAN	Operating lease	II*
Sichem Defender	20,000	2007	PAN	Finance lease	II*
Sichem Osprey	25,000	2009	MAL	Owned	II
Sichem Hawk	25,385	2008	MAL	Owned	II
Sichem Falcon	25,419	2009	MAL	Owned	II
Sichem Eagle	25,421	2008	SIN	Owned	II

Vessel	DWT	Built	Flag	Ownership	IMO
Siteam Anja	44,640	1997	MAR	Owned	II/III
Siteam Discoverer	46,005	2008	SIN	Owned	II
Siteam Voyager	46,017	2008	SIN	Owned	II
Siteam Leader	46,017	2009	SIN	Owned	II
Siteam Adventurer	46,026	2007	SIN	Owned	II
Siteam Explorer	46,026	2007	SIN	Owned	II
Siteam Jupiter	48,309	2000	LR	Finance lease	II
Siteam Neptun	48,309	2000	LR	Finance lease	II

* Stainless steel

Pool vessels

Vessel	DWT	Built	Flag	Ownership
Moor	12,901	2006	SIN	City Class Pool
Ben	12,909	2006	SIN	City Class Pool
Fen	12,934	2006	SIN	City Class Pool
Glen	12,956	2005	SIN	City Class Pool
Vale	13,006	2007	SIN	City Class Pool
Dale	13,031	2007	SIN	City Class Pool
Kongo Star	13,019	2010	MAL	City Class Pool
Shannon Star	13,019	2010	MAL	City Class Pool
Mississippi Star	13,019	2010	MAL	City Class Pool
Colorado Star	13,019	2010	MAL	City Class Pool
Ganges Star	13,019	2010	MAL	City Class Pool
Amur Star	13,153	2010	MAL	City Class Pool
Murray Star	13,000	2011	MAL	City Class Pool
Chemtrans Elbe	13,044	2009	LR	City Class Pool
Chemtrans Weser	13,045	2009	LR	City Class Pool
Chemtrans Ems	13,045	2009	LR	City Class Pool
Chemtrans Oste	13,075	2009	LR	City Class Pool
Chemtrans Alster	13,080	2009	LR	City Class Pool
Chemtrans Havel	13,080	2009	LR	City Class Pool

Fleet summary

	Owned	Finance lease	Operating lease	Pool	Total
Total fleet	39	10	4	19	**72**

Eitzen Chemical ASA
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Norway

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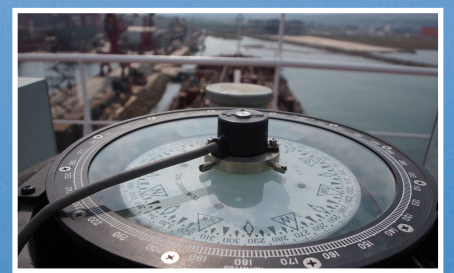
APPENDIX III

UNAUDITED CONSOLIDATED INTERIM REPORT OF EITZEN CHEMICAL ASA AS OF AND FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2014 AND 2013

Eitzen Chemical ASA



3rd Quarter Report 2014

Highlights

- Eitzen Chemical is progressing with its ongoing and constructive dialogue with the main creditors of the Company's long-term debt to explore alternatives in order to strengthen the balance sheet. A financial restructuring of the Company will likely include a significant debt to equity conversion and new financing. Eitzen Chemical is of the opinion that with a stronger balance sheet, the Company can create more value over time for all present stakeholders. Eitzen Chemical is still significantly overleveraged with a negative book equity value of USD 181.3 million.

- The activity remained slow through the seasonal weaker 3rd quarter. Eitzen Chemical reported an average time charter equivalent rate (TCE) for the fleet of USD 10,014 per day. The average TCE decreased by 2.6 per cent compared to the TCE of USD 10,284 per day in the 2nd quarter of 2014, and decreased by 10.8 per cent compared to the TCE of USD 11,231 per day for the 3rd quarter of 2013.

- Eitzen Chemical reported EBITDA of USD 4.3 million for the 3rd quarter of 2014, compared to USD 4.8 million in the 2nd quarter of 2014, and USD 10.0 million in the 3rd quarter of 2013.

- Eitzen Chemical expects a modest improvement in the TCE rate in the 4th quarter of 2014, although the overall market conditions are expected to remain challenging.

- In the 3rd quarter of 2014, Eitzen Chemical agreed to sell the Sichem Casablanca (6,999 dwt, built 1993). The vessel was delivered to new owners in October 2014. Eitzen Chemical has recognized an impairment of USD 1.5 million in the quarter, reflecting that the net sales proceeds was below the book value of the vessel. The vessel is classified as held for sale as of 30 September 2014.

Subsequent events

- The Sichem Casablanca (6,999 dwt, built 1993) was delivered to new owners in October 2014.

- One of Eitzen Chemical's vessels chartered in on long-term time charter, the Siteam Jupiter (48,309 dwt, built 2000), and one vessel chartered in on a short-term time charter, the Chem Orion (10,307 dwt, built 1998), were redelivered to owners in October 2014 as the contracts expired. The two vessels were classified as operating leases.

Financial review

Third quarter 2014 income statement

Eitzen Chemical reported total Freight revenue of USD 86.7 million in the 3rd quarter of 2014, compared to USD 90.0 million in the 2nd quarter of 2014. Voyage expenses decreased to USD 40.7 million in the 3rd quarter, down from 44.3 million in the previous quarter. Freight income on T/C basis was USD 46.1 million, which represents a USD 0.3 million increase from the previous quarter following increased number of onhire days (USD 51.0 million in Q3 2013).

Ship operating expenses were USD 26.2 million in the 3rd quarter, up by USD 0.4 million from the previous quarter. Charterhire expenses increased to USD 9.6 million, up from 9.0 million in the 2nd quarter of 2014, mainly due to increased number of onhire days on chartered in vessels as fewer vessels were dry docked in the 3rd quarter. General and administrative expenses were USD 6.0 million in the 3rd quarter compared to USD 6.1 million in the previous quarter. EBITDA (earnings before interest, taxes, depreciation and amortization) ended at USD 4.3 million in the 3rd quarter compared to USD 4.8 million in the previous quarter (USD 10.0 million in Q3 2013).

Depreciation and amortization was USD 13.6 million in the 3rd quarter of 2014, compared to USD 14.2 million in the 2nd quarter. The decrease is mainly due to amortization of the book gain as a result of the North Contender and North Fighter sale and leaseback transactions completed in the 1st half of 2014. In the 3rd quarter of 2014, the Company recognized an impairment loss of USD 1.5 million on the Sichem Casablanca. The vessel is classified as held for sale at

quarter end. The Operating result (EBIT – earnings before interest and taxes) for the 3rd quarter was negative USD 10.8 million, compared to negative USD 9.3 million for the 2nd quarter (EBIT negative USD 3.5 million in Q3 2013).

Net interest expenses were USD 15.7 million in the 3rd quarter of 2014, compared to USD 15.5 million in the previous quarter. Other financial items were net positive USD 2.8 million in the 3rd quarter of 2014, an increase of USD 2.9 million compared to the 2nd quarter of 2014. Other financial items in the 3rd quarter mainly comprises net unrealized currency gains on the NOK denominated bond loans and JPY denominated purchase options included in the finance lease obligations of USD 6.1 million in total, offset by net other financial expenses of USD 3.3 million.

Net loss in the 3rd quarter of 2014 was USD 23.7 million compared to a net loss of USD 24.9 million in the previous quarter (net loss of USD 18.4 million in Q3 2013).

Balance sheet as of 30 September 2014

Total book value of the Company's vessels was USD 733.3 million at 30 September 2014 (USD 752.5 million at the end of Q2 2014). Based on average broker valuations, the value of the Company's owned and financial leased vessels was USD 643.5 million at 30 September 2014.

In the 3rd quarter of 2014, Eitzen Chemical agreed to sell the Sichem Casablanca (6,999 dwt, built 1993). The vessel was delivered to new owners in October 2014, and the vessel is classified as held for sale at the end of the 3rd quarter.

Total long-term debt was USD 942.6 million at the end of the 3rd quarter, down from USD 948.1 million in the previous quarter. The decrease is mainly due to a reclassification from non-current to current portion of obligations under finance leases, and relates to a purchase option for a vessel leased in on time charter that expires in the 3rd quarter of 2015.

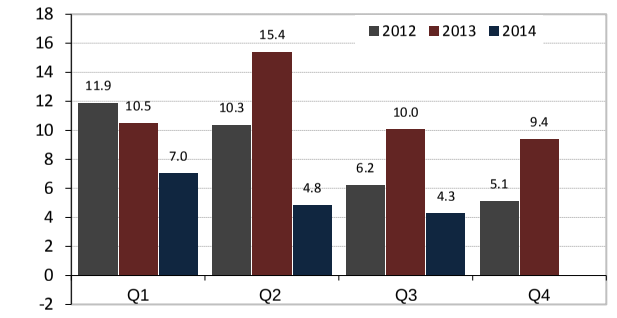
Total cash and cash equivalents amounted to USD 32.1 million as of 30 September 2014 (USD 30.7 million at the end of Q2 2014). No draw downs on the revolving credit facility was made in the 3rd quarter. A total of USD 14.0 million of the USD 20.0 million revolving credit facility has been drawn in 2014 to cover payment of dry dockings, general working capital requirements and deposits related to the exercise of the North Contender and North Fighter purchase options. The undrawn amount of USD 6.0 million is unchanged at the date of this report. Until January 2015, the Company's cash commitments on interest payments are limited to LIBOR on the restructured bank debt. All other interest commitments may accrue on the balance of the bank and bond facilities. If the Company has excess cash to service interest margins and/or installments, excess cash will be swept in accordance with the agreement with the Company's lenders. From January 2015, the Company is obliged to pay LIBOR plus a margin of 2.75 per cent on the majority of the loans. Fixed debt installments will commence in April 2015 with flexible repayment terms from then to maturity in May 2016. More details regarding the agreements can be found in notes 5 and 6 to the financial statements.

Total equity as of 30 September 2014 was negative USD 181.3 million (negative USD 157.5 million at the end of Q2 2014). A value-adjusted equity, based on the average broker valuations of the Company's owned and finance leased vessels, was negative USD 271.1 million (negative USD 262.1 million at the end of Q2 2014). The Company's share capital is NOK 846,016,800. Outstanding shares are 11,280,224, each with a par value of NOK 75. The share price ended the 3rd quarter of 2014 at NOK 3.71, down from NOK 5.70, at the end of the 2nd quarter. As presented at the Annual General Meeting on 6 May 2014 the Board currently considers the Company's capital situation as adequate based on the agreements with the Company's lenders, and the progress made with the main creditors of the Company's long term debt to strengthen the Company's balance sheet. Reference is made to the Strategy and capital resources section and note 6 for further details on the current financial position of the Company.

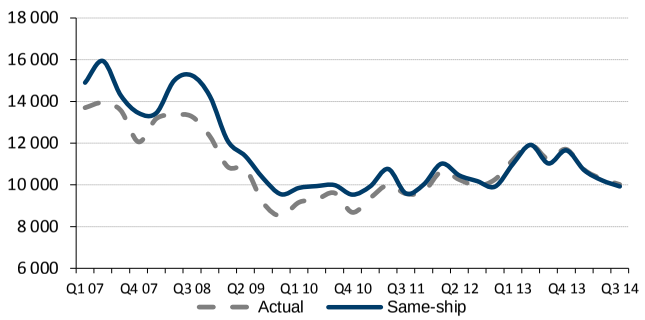
Earnings development

The total volume lifted in the 3rd quarter decreased slightly compared to the 2nd quarter, as cargo lifted under CoA nominations decreased slightly while spot volumes went up. The number of trading days increased in the 3rd quarter compared to the previous quarter. The average bunker price in Rotterdam for IFO 380 decreased in the 3rd quarter of 2014 to an average of USD 561 per MT, compared to USD 581 per MT in the 2nd quarter of 2014. The average TCE for the Eitzen Chemical fleet was USD 10,014 per day in the 3rd quarter of 2014, down 2.6 per cent from USD 10,284 per day in the previous quarter, and down 10.8 per cent compared to the 3rd quarter of 2013.

EBITDA development



Eitzen Chemical Index (ECI)



ECHEM Fleet	Q4 13	Q1 14	Q2 14	Q3 14
Average dwt	18 555	18 919	18 919	18 919
No. of vessels EOP	49	51	51	51
TCE - $/day	11 701	10 728	10 284	10 014

Eitzen Chemical Index

The Eitzen Chemical Index (ECI) is based on the company's sailed in time charter equivalent (TCE) earnings per day since 2007, both the actual development and the development on a same-ship basis (same-ship excludes short term charters). The TCE earnings are included with nominal values. The ECI is calculated using the days the vessels are available to earn revenue (Revenue Days), and includes revenue earned from CoA's, vessels fixed in on T/C and bunkers hedges.

Market conditions

The downward pressure on freight rates continued in the 3rd quarter due to the weak summer market, with unusual slow market activity through September. The summer market was especially slow in Europe and North and South America. However, the Medium Range ("MR") market from the Far East to US Gulf saw good activity at improved freight rate levels throughout the quarter, with freight rates on these traditional back haul voyages exceeding the freight rates on the traditional front haul voyages from the US Gulf to the Far East. The transatlantic MR clean petroleum products ("CPP") market remained at low World Scale 90 in the 3rd quarter. The dirty petroleum products ("DPP") market in the Mediterranean slowed down further from the slow 2nd quarter, resulting in idle days due to lack of activity.

Fleet development

At the end of September 2014, the Eitzen Chemical fleet consisted of 51 vessels, of which 36 are owned, 6 are on financial lease and 9 are on operational lease. Two of the operational leases, the UACC Messila (45,335 dwt, built 2012) and the Chem Orion (10,306 dwt, built 1998), are on short term charters. In the 3rd quarter of 2014, Eitzen Chemical agreed to sell the Sichem Casablanca (6,999 dwt, built 1993). The vessel was delivered to new owners in October 2014.

In October 2014, one of Eitzen Chemical's vessels on long-term operating lease, the Siteam Jupiter (48,309 dwt, built 2000), and one vessel on short-term operating lease, the Chem Orion (10,307 dwt, built 1998), were redelivered to owners as the contracts expired.

In total two owned/bareboat vessels were dry docked in the 3rd quarter of 2014 compared to three vessels being dry docked in the previous quarter. One dry docking is scheduled to be completed in the 4th quarter of 2014.

Strategy and capital resources

Eitzen Chemical is progressing with its ongoing and constructive dialogue with the main creditors of the Company's long term debt to explore alternatives in order to strengthen the balance sheet. A financial restructuring of the Company will likely include a significant debt to equity conversion and new financing. Eitzen Chemical is of the opinion that with a stronger balance sheet, the Company can create more value over time for all present stakeholders.

The Company believes this is an appropriate time to consider various changes to its capital structure, as the current capital structure is such that covering the total debt is associated with considerable uncertainty, even with a market recovery. The Company also believes that the present market conditions are favorable with respect to investment in the chemical tanker market, and that a stronger balance sheet and investment capacity is necessary to carry out the Company's strategy.

Outlook

Subject to moderate global GDP growth, the Company expects the supply/demand balance for chemical tankers to improve gradually going forward.

The orderbook[1] for chemical tankers (tankers below 54,000 dwt) is about 16 per cent of the fleet. In 2015, the total deliveries of newbuildings is expected to be 2.2 million dwt, with expected scrapping of 1.0 million dwt, i.e. a net fleet growth of 1.2 million dwt or 3.3 per cent. This compares to an expected net fleet growth of 0.5 million dwt or 1.3 per cent in 2014. The net annual fleet growth the coming years is expected to be moderate.

As per industry sources, the demand for seaborne chemical transportation so far in 2014 has been below both the historical long-term growth trend and estimated future growth of 4-5 per cent per annum. The weaker demand growth has been significantly impacted by a decrease in imports of chemicals and related products to China in particular. China represents approximately 25 per cent of the total global seaborne trade of chemicals and vegetable oils. From 2008-2013, the seaborne imports of chemicals to China increased by 9.4 per cent on average per annum. However, in 2014 the total imports to China is estimated to fall by 7.6 per cent.

Although the short-term development in demand of seaborne chemical transportation is uncertain, the trend is expected to improve following significant investments in the chemical production capacity in the Middle East and the USA, and the market should experience gradual improvement with increased fleet utilization the coming years.

Forward looking statement

This report contains forward looking statements. These statements are based upon various assumptions. Although Eitzen Chemical believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control. Eitzen Chemical cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions. No assurance can be given that the Company will be able at all times to be in compliance with all of its financial covenants towards its finance providers or to agree such necessary arrangements to timely secure full compliance with the terms of the agreements with its lenders. Such arrangements might require discussions with, amongst others, the Company's lenders and such discussions might not be concluded and agreed in a timely manner, if at all.

Oslo, 11 November 2014

The Board of Directors of Eitzen Chemical ASA

/s/ Aage R. B. Figenschou	/s/ Helene Jebsen Anker	/s/ Heidi Marie Petersen
Aage R. B. Figenschou	Helene Jebsen Anker	Heidi Marie Petersen
Chairman of the Board		
/s/ Thor Jørgen Guttormsen	/s/ Erik Bartnes	/s/ Jens Grønning
Thor Jørgen Guttormsen	Erik Bartnes	Jens Grønning
		Chief Executive Officer

[1] Source: *Eitzen Chemical based on industry sources*

Condensed Consolidated Income Statement *(USD '000, except per share data)*	Note	2014 Q3 (unaudited)	2014 Q2 (unaudited)	2013 Q3 (unaudited)	2014 9m (unaudited)	2013 9m (unaudited)
Freight revenue		86 732	90 036	93 833	263 782	287 119
Voyage expenses		(40 660)	(44 295)	(42 836)	(125 262)	(133 612)
Freight income on T/C basis		**46 072**	**45 742**	**50 997**	**138 519**	**153 507**
Ship operating expenses		(26 212)	(25 849)	(26 495)	(77 647)	(81 764)
Charterhire expenses		(9 567)	(8 991)	(8 812)	(26 695)	(19 410)
General and administrative expenses		(6 042)	(6 086)	(5 648)	(18 100)	(16 453)
EBITDA		**4 250**	**4 816**	**10 042**	**16 078**	**35 880**
Depreciation and amortisation	2	(13 562)	(14 154)	(13 554)	(42 715)	(42 145)
Impairment of vessels	2	(1 521)	-	-	(1 521)	-
Gain / (loss) on sale of vessels		-	-	-	-	(14 744)
EBIT		**(10 833)**	**(9 338)**	**(3 512)**	**(28 158)**	**(21 009)**
Interest income		3	-	2	6	8
Interest expense		(15 696)	(15 480)	(14 329)	(46 151)	(44 102)
Other financial items		2 827	(39)	(531)	(133)	11 664
Profit / (loss) before taxes		**(23 700)**	**(24 857)**	**(18 370)**	**(74 436)**	**(53 439)**
Income tax expense		-	-	(9)	(1)	(4)
Net profit / (loss)		**(23 700)**	**(24 857)**	**(18 379)**	**(74 437)**	**(53 442)**
Earnings per share (basic/diluted) (USD)		(2.10)	(2.21)	(1.63)	(6.60)	(4.74)
Weighted average number of shares	4	11 270 124	11 270 124	11 270 124	11 270 124	11 270 124

Condensed Consolidated Statement of Comprehensive Income *(USD '000)*	2014 Q3 (unaudited)	2014 Q2 (unaudited)	2013 Q3 (unaudited)	2014 9m (unaudited)	2013 9m (unaudited)
Net profit / (loss)	**(23 700)**	**(24 857)**	**(18 379)**	**(74 437)**	**(53 442)**
Foreign currency translation differences	(51)	(7)	22	(58)	18
Total items that may be reclassified to profit or loss	**(51)**	**(7)**	**22**	**(58)**	**18**
Other comprehensive income / (loss), net of tax	**(51)**	**(7)**	**22**	**(58)**	**18**
Total comprehensive income	**(23 751)**	**(24 864)**	**(18 357)**	**(74 495)**	**(53 424)**
Attributable to owners of the parent	*(23 751)*	*(24 864)*	*(18 357)*	*(74 495)*	*(53 424)*

See accompanying notes that are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Balance Sheet *(USD '000)*	Note	2014 30.09 (unaudited)	2014 30.06 (unaudited)	2013 31.12 (audited)
ASSETS				
Vessels	2	639 597	657 288	672 306
Vessels held under finance leases	2	93 728	95 205	93 045
Other equipment	2	299	338	278
Other non-current assets		1 029	1 466	2 058
Total non-current assets		**734 652**	**754 295**	**767 687**
Inventories		14 817	16 923	17 325
Trade and other receivables		40 839	51 455	50 675
Other current assets		1 891	2 583	4 903
Cash and cash equivalents	3	32 085	30 741	30 615
Total current assets		**89 632**	**101 702**	**103 518**
Vessels held for sale	2	4 401	-	-
TOTAL ASSETS		**828 685**	**855 997**	**871 204**
EQUITY AND LIABILITIES				
Equity		(181 134)	(157 383)	(106 638)
Treasury shares		(116)	(116)	(116)
Total equity	4	**(181 250)**	**(157 499)**	**(106 754)**
Long-term debt	5	868 524	861 914	828 091
Obligations under finance leases	5	74 114	86 200	55 113
Other non-current liabilities		1 580	2 264	225
Total non-current liabilities		**944 219**	**950 379**	**883 430**
Trade and other payables		36 692	44 278	51 153
Short-term debt and current portion of long-term debt	5	7 006	6 000	-
Current portion of obligations under finance leases	5	15 099	5 918	42 849
Other current liabilities		6 918	6 921	526
Total current liabilities		**65 715**	**63 117**	**94 528**
Total liabilities		**1 009 934**	**1 013 496**	**977 958**
TOTAL EQUITY AND LIABILITIES		**828 685**	**855 997**	**871 204**

See accompanying notes that are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Cash Flow Statement		2014 Q3	2014 Q2	2014 9m	2013 9m
(USD '000)	Note	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Operating activities					
Profit / (loss) before taxes		(23 700)	(24 857)	(74 436)	(53 439)
Depreciation and amortisation	2	13 562	14 154	42 715	42 145
Impairment of vessels	2	1 521	-	1 521	-
Loss/(gain) on sale of vessels		-	-	-	14 744
Net interest expenses		15 693	15 480	46 145	44 094
Foreign currency (gain) / loss, net		(5 302)	(1 333)	(4 469)	(11 544)
Working capital and other adjustments		7 188	8 498	8 344	(11 239)
Net cash flow from operating activities		8 963	11 942	19 819	24 762
Investing activities					
Proceeds from sales of vessels		-	-	-	2 409
Payments on vessels (mainly upgrading and docking)	2	(959)	(6 844)	(12 700)	(10 803)
Interest received		3	-	6	8
Net cash flow from investing activities		(957)	(6 844)	(12 694)	(8 386)
Financing activities					
Loan proceeds		-	3 000	14 000	15 226
Repayment of long term debt	5	(994)	-	(994)	(5 211)
Repayment of obligations under finance leases	5	(1 446)	(3 118)	(7 747)	(8 733)
Interest paid		(2 355)	(2 280)	(6 781)	(8 140)
Payment of other financial costs, net		(2 412)	(1 642)	(4 809)	(11 684)
Net cash flow from financing activities		(7 206)	(4 040)	(6 331)	(18 542)
Net change in cash and cash equivalents		**800**	**1 058**	**794**	**(2 166)**
Cash balance at beginning of period		30 741	29 564	30 615	30 926
Net foreign exchange difference on cash		544	119	676	151
Cash and cash equivalents at end of period	3	**32 085**	**30 741**	**32 085**	**28 911**
Supplemental disclosures					
Undrawn portion of revolving credit facility	3,6	6 000	6 000	6 000	20 000

See accompanying notes that are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity

2014 (unaudited)	Attributable to equity holders of the parent company									
	Paid in capital					Other reserves				
(USD '000)	Share capital	Share Premium	Employee benefit reserve	Treasury shares	Other paid in equity	Retained earnings	Revaluation reserve	Translation reserve	Total other reserves	Total
At 1 January 2014	**148 037**	**20 550**	**1 591**	**(116)**	**629 849**	**(916 326)**	**3 406**	**6 254**	**9 660**	**(106 754)**
Profit / (loss) for the period	-	-	-	-	-	(74 437)	-	-	-	(74 437)
Other comprehensive income	-	-	-	-	-	-	-	(58)	(58)	(58)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(74 437)**	**-**	**(58)**	**(58)**	**(74 495)**
At 30 September 2014	**148 037**	**20 550**	**1 591**	**(116)**	**629 849**	**(990 762)**	**3 406**	**6 196**	**9 602**	**(181 250)**

2013 (unaudited)	Attributable to equity holders of the parent company									
	Paid in capital					Other reserves				
(USD '000)	Share capital	Share Premium	Employee benefit reserve	Treasury shares	Other paid in equity	Retained earnings	Revaluation reserve	Translation reserve	Total other reserves	Total
At 1 January 2013	**148 037**	**20 550**	**1 591**	**(116)**	**629 849**	**(841 602)**	**3 406**	**6 219**	**9 625**	**(32 065)**
Profit (loss) for the period	-	-	-	-	-	(53 442)	-	-	-	(53 442)
Other comprehensive income	-	-	-	-	-	-	-	18	18	18
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(53 442)**	**-**	**18**	**18**	**(53 424)**
At 30 September 2013	**148 037**	**20 550**	**1 591**	**(116)**	**629 849**	**(895 043)**	**3 406**	**6 237**	**9 643**	**(85 489)**

Employee benefit reserve
The employee benefits reserve is used to record the value of the Company's share-based incentive program.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of subsidiaries in foreign currencies.

Treasury shares
The treasury shares is used to record purchase of own shares. The Company has 10 100 treasury shares.

Revaluation reserve
The revaluation reserves are used to record step by step revaluation in connection with purchase of subsidiary.

See accompanying notes that are an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

Note 1 – Accounting principles

Eitzen Chemical ASA is a public limited company incorporated and domiciled in Norway which shares are listed on Oslo Stock Exchange. The Company's address is Ruseløkkveien 6, P. O. Box 1794 Vika, 0122 Oslo, Norway. Eitzen Chemical's condensed consolidated interim financial statements for the third quarter of 2014 were approved by the Board of Directors (the Board) and the Chief Executive Officer (CEO) on 11 November 2014.

Basis of preparation
The interim condensed consolidated financial statements for Eitzen Chemical have been prepared in accordance with International Accounting Standard IAS 34 *"Interim Financial Reporting"* as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

Going concern assumption
The financial statements are based on the going concern assumption. We refer to the 2013 Annual Report, the Strategy and capital resources section and note 6 in this interim report for further information.

Judgments, estimates and assumptions
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. A change in an accounting estimate is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company has defined the whole fleet as one Cash Generating Unit (CGU) as the vessels are operated as a portfolio. An individual vessel can be chartered on behalf of several clients and trade lanes throughout the world. The vessels are not defined for a specific type of cargo or trade within a particular geographical area. Every quarter the Company considers various indicators of asset impairment and reviews key assumptions in the value in use model used for impairment testing. Refer to note 2.

The Company and the chief operating decision maker measure performance based on the Company's overall return to shareholders based on consolidated net income. The Company has only one reportable segment: chemical tankers. The Company's revenue and operating results relate to its chemical tanker operations, which are carried out internationally and cannot be attributed to any particular geographical location or separated into various products. The Company does not have any counterpart that contributes to more than 10 per cent of the total operating revenues.

Significant accounting principles
The accounting principles used to prepare these interim financial statements are consistent with those used to prepare the annual financial statements. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as of 31 December 2013.

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale expected within one year from the date of the classification. Property, plant and equipment are not depreciated once classified as held for sale. Assets classified as held for sale are presented separately in the balance sheet.

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

New and amended standards adopted by the Company
A number of new accounting standards and amendments to standards have been issued by the IASB. Information about the content, implementation dates and related requirements for the issued but not yet adopted standards and amendments is included in the Significant accounting policies note in the 2013 Annual Report.

None of the new accounting standards that came into effect after 1 January 2014 has had a significant impact for the Company.

Note 2 – Vessels, vessels held under finance leases and other equipment

(USD '000)	Vessels	Vessels held under financial leases	Other equipment	Total
At 1 January 2014, net of accumulated depreciation	**672 306**	**93 045**	**278**	**765 628**
Additions (mainly upgrading and docking of vessels)	12 505	26	169	12 700
Disposals*	(4 401)	-	-	(4 401)
Impairment	(1 521)	-	-	(1 521)
Non-cash effect of sale and leaseback transaction**	-	5 224	-	5 224
Depreciation for the period***	(39 293)	(4 566)	(148)	(44 007)
At 30 September 2014, net of accumulated depreciation	**639 597**	**93 728**	**299**	**733 624**

* In the 3rd quarter of 2014, Eitzen Chemical agreed to sell the Sichem Casablanca (6,999 dwt, built 1993). The vessel is classified as vessels held for sale as of 30 September 2014.

** In the first half of 2014 the Company completed sale and leaseback transactions of the North Contender (19,925 dwt, built 2005) and the North Fighter (19,932 dwt, built 2006). The transactions resulted in a non-cash effect on the leased assets of USD 5.2 million. The transactions resulted in a total book gain of USD 5.4 million, which has been deferred and is amortized over the expected lease terms. The vessels continue to be classified as financial leases.

*** Offsetting the depreciation of USD 44.0 million in the nine months period ended 30 September 2014, the Company has amortized USD 1.3 million of the book gain on the North Contender and the North Fighter transactions completed in the 1st half of 2014.

The Company performed an impairment test at 31 December 2013 based on the estimated future value in use of the fleet. The estimated cash flows are based on management's best estimate and reflect the Company's expectation that the market will recover to a sustainable level due to improvements in the supply and demand development. The key assumptions in the Company's value in use model have been reviewed as of 30 September 2014. An impairment of USD 1.5 million was recognized on the Sichem Casablanca (6,999 dwt, built 1993), a vessel classified as held for sale as of 30 September 2014. No impairment has been recorded in the 3rd quarter of 2014 for the Company's other vessels. However, if vessels are sold or disposed under distress, prior to the market recovery reflected in the value in use model, there is a significant risk that the Company might experience further losses or impairment charges on its vessels. The value of the Company's owned and finance leased vessels based on average broker valuations, was USD 643.5 million at 30 September 2014 (owned vessels: USD 539.8 million, finance leased vessels: USD 103.8 million).

Note 3 – Cash and cash equivalents

(USD '000)	2014 30.09 (unaudited)	2014 30.06 (unaudited)	2013 31.12 (audited)
Petty cash	544	548	-
Banks	31 109	29 986	28 530
Restricted Cash	432	207	2 084
Cash and cash equivalents	**32 085**	**30 741**	**30 615**
Undrawn portion of revolving credit facility	6 000	6 000	20 000

As of 1 January 2014 petty cash on board vessels is classified under Cash and cash equivalents. In prior periods petty cash was classified under Other current assets. The Company has drawn USD 14.0 million of its revolving credit facility of USD 20.0 million. Refer to note 6 for further information on the working capital facility.

Note 4 – Issued capital

Authorised shares	Number of shares	Share capital USD '000
At 1 January 2014	**11 280 224**	**148 037**
Changes in shares and share capital in the period	-	-
At 30 September 2014	**11 280 224**	**148 037**

The Company's share capital is NOK 846,016,800. Outstanding shares are 11,280,224, each with a par value of NOK 75.

Note 5 – Long-term debt

(USD '000)	Unsecured bond loan	Secured bond loan	Bank loans	Obligations under finance leases	Total
Balance at 1 January 2014	**57 352**	**55 758**	**714 981**	**97 963**	**926 054**
Additions	-	-	14 000	-	14 000
Installments	-	-	(994)	(7 747)	(8 741)
Non-cash effect of sale and leaseback transactions*	-	-	-	(263)	(263)
Debt issuance cost**	-	304	11 205	-	11 509
Accrual of interest margins	-	5 342	22 345	-	27 688
Foreign currency translation effects	(2 277)	(2 486)	-	(739)	(5 503)
Balance at 30 September 2014	**55 075**	**58 918**	**761 537**	**89 213**	**964 744**
Non-current	55 075	58 918	754 531	74 114	942 639
Current	-	-	7 006	15 099	22 105
Balance at 30 September 2014	**55 075**	**58 918**	**761 537**	**89 213**	**964 744**

* In the first half of 2014 the Company completed sale and leaseback transactions of the North Contender (19,925 dwt, built 2005) and the North Fighter (19,932 dwt, built 2006). The transactions resulted in a non-cash effect of USD 0.3 million on the lease obligations.

** Amortized debt issuance cost in the period.

USD 5.0 million of the bank debt matures and is due for payment in April 2015, and is classified as current portion of long-term debt as of 30 September 2014. In addition, USD 2.0 million of the drawn amount under the USD 20.0 million revolving credit facility is classified as current portion of long-term debt as of 30 September 2014, as the total available amount under the revolving credit facility from April 2015 will be reduced by 20 per cent of total commitment every three months.

Quarterly installments of USD 14.4 million of the Company's senior bank loans matures in April and July 2015. However, the Company has the option to defer three quarterly instalments until maturity in 2016, with a maximum of two deferrals in one year. As the Company has the right to defer the first two installments due on the senior bank debt in 2015, the installments are not classified as current portion of long-term debt as of 30 September 2014.

The Company was in compliance with the financial covenants relating to its loan agreements at 30 September 2014.

The Company has a time charter party accounted for as a finance lease which expire in the 3rd quarter of 2014. The current portion of the finance lease obligations includes the purchase option on this vessel of USD 9.0 million. The total obligations under finance leases include the net present value of purchase options of USD 73.3 million.

Note 6 – Financial and liquidity risk

In January 2013, the Company concluded a restructuring of the bank and bond debt. The key terms in the restructuring agreement included:

A new working capital facility:

- The Company secured a working capital facility of USD 30 million. The facility is split into (i) a term loan facility of USD 10 million and (ii) a revolving credit facility of USD 20 million.
- The facilities are secured by a first ranking lien in certain of the Company's vessels.
- Maturity of term loan facility is in May 2016 and the revolving credit facility will mature in April 2016, with five quarterly equal reductions to commence from April 2015.
- Payment of interest is under a "pay-as-you-can" structure where the margin of 8.95 per cent p.a. is only payable to the extent it can be paid with excess cash until maturity and LIBOR shall be paid in cash. If not paid in cash the margin will be capitalized and be payable on the maturity date together with an additional margin of 2.05 per cent p.a.
- The facilities have similar covenants as the senior bank loans.

Restructuring of the bond loan:

- The bond loan comprising a NOK tranche of NOK 490 million (ISIN NO 001033434.5) and a USD tranche of USD 25 million (ISIN NO 001033433.7) was in January 2013 exchanged into (i) a secured loan of approximately USD 50 million and (ii) an unsecured loan of approximately USD 60 million. The secured loan has a third ranking lien security in the Company's vessels (owned through subsidiaries). Eitzen Chemical ASA is the borrower for both loans. The loans have NOK and USD tranches as in the previous bond loan agreement.
- The secured loan will mature in June 2016 with no instalments until maturity. The loan will receive payment-in-kind interest of NIBOR/LIBOR plus 11 per cent p.a. due at maturity.
- The restructured interest terms of the Company's loans were effective from October 2012.
- The unsecured loan will mature in September 2016 with no instalments or interest payments until maturity. If the Company raises new equity (in the form of cash) of at least USD 50 million, the unsecured loan can be called and redeemed in full in exchange for an amount equal to USD 10 million of new equity in the Company.
- The loans do not include any financial covenants.
- The bond restructuring fee agreed in 2009 due in November 2012 were postponed to maturity of the secured loan.

Restructuring of the senior bank loans:

- The senior bank loans consists of the USD 510 million, USD 265 million and USD 170 million bank syndicate loan agreements and the USD 36 million, USD 15 million and USD 4.7 million bilateral loan agreements.
- USD 30 million of the existing senior bank loans with a principal amount of approximately USD 661 million was converted into a third lien loan of USD 30 million. The third lien loan has third lien security in the Company's vessels (owned through subsidiaries).
- Maturities were extended to May 2016 for the existing bank loans and June 2016 for the new third lien loan.
- The grace period with no fixed debt instalments was extended from November 2012 until April 2015. Furthermore, the Company has the option to defer three quarterly instalments until maturity in 2016 (with a maximum of two deferrals in one year).
- Payment of interest is under a "pay-as-you-can" structure where the margin of 2.75 per cent p.a. is only payable to the extent it can be paid with excess cash in the period until 1 January 2015 and LIBOR shall be paid in cash. If not paid in cash the margin is capitalized and payable on the maturity date together with an additional margin of 3.05 per cent p.a. From 1 January 2015, the interest payments will be reset to the pre-restructuring level of LIBOR plus 2.75 per cent p.a.
- The restructured interest terms of the Company's loans were effective from October 2012.
- A new mechanism for sweep of excess cash and potential variable debt amortisation depending on the Company's financial performance was introduced.
- Existing financial covenants was suspended until maturity. The Company has a minimum liquidity covenant of USD 30 million, measured based on the Company's cash and cash equivalents and any undrawn amount under the revolving credit facility of USD 20 million. Further, the Company has a Minimum Value Requirement covenant in the respective loan agreements, where the market value of the collateral vessels for two consecutive quarterly periods must be no less than a predetermined percentage of the outstanding loan

amount (excluding capitalized interest). The first measurement is on the basis of the Market Value of the Vessels as per 31 March 2014 and 30 June 2014. However, during the period from 1 January 2014 to 1 January 2016, the Minimum Value Requirement will not be breached if the rate of EBITDAR (EBITDA excluding expenses related to finance lease vessels) to Fixed Charges (cash payments of interest, debt instalments and hire on finance leases) Ratio is at minimum 1:1.

- The bank restructuring fee agreed in 2009 due in November 2012 was postponed to final maturity. The Company agreed to a new restructuring fee of USD 10 million. Approximately USD 4.5 million was paid in January 2013, when the new term loan facility became available, while approximately USD 5.5 million is due on final maturity.

Third lien bank loan:

- USD 30 million of the existing senior bank loans was in January 2013 converted into a new facility in the principal amount of USD 30 million with Eitzen Chemical ASA as borrower and third lien security in the Company's vessels (owned through subsidiaries).
- The loan will mature in June 2016 with no instalments until maturity.
- Payment of interest is under a "pay-as-you-can" structure where the margin of 8.95 per cent p.a. is only payable to the extent it can be paid with excess cash until maturity and LIBOR shall be paid in cash. If not paid in cash the margin will be capitalized and be payable on the maturity date together with an additional margin of 2.05 per cent p.a.
- The loan does not include any financial covenants and ranks pari passu with the secured bond loan described above.

Note 7 – Subsequent events

The Sichem Casablanca (6,999 dwt, built 1993) was delivered to new owners in October 2014.

One of Eitzen Chemical's vessels chartered in on long-term time charter, the Siteam Jupiter (48,309 dwt, built 2000), and one vessel chartered in on a short-term time charter, the Chem Orion (10,307 dwt, built 1998), were redelivered to owners in October 2014 as the contracts expired. The two vessels were classified as operating leases.

Eitzen Chemical ASA
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Norway

eitzen-chemical.com

APPENDIX IV

AUDITED FINANCIAL STATEMENTS OF TEAM TANKERS INTERNATIONAL LTD AS 31 DECEMBER 2014 AND FOR THE PERIOD FROM 29 JULY 2014 TO 31 DECEMBER 2014

Financial statements

Team Tankers International Ltd.

29 July 2014 – 31 December 2014

Income statement

In USD thousand	Note	For the period from 29 July 2014 to 31 December 2014
Operating revenues		0
Other income and expenses		0
Operating profit		**0**
Finance income		0
Finance expenses		0
Profit before taxes		**0**
Taxes		0
Profit for the period / total comprehensive income		**0**

Statement of financial position

In USD thousand	Note	At 31 December 2014
Non-current assets		**0**
Other current assets	3	10
Current assets		**10**
Total assets		**10**
Shareholder's equity	4	10
Retained earnings		0
Equity	**4**	**10**
Non-current liabilities		**0**
Current liabilities		**0**
Equity and liabilities		**10**

9 January 2015

The Board of Directors of Team Tankers International Ltd.

Aage Figenschou

Statement of changes in equity

In USD thousand

2014	Shareholder's equity	Retained earnings	Total equity
At 29 July 2014	**0**	**0**	**0**
Net income	0	0	0
Share issue	10	0	10
31 December 2014	**10**	**0**	**10**

Statement of cash flow

In USD thousand	Note	For the period from 29 July 2014 to 31 December 2014
Profit before taxes		0
Cash from operating activities		**0**
Cash flow from investing activities		**0**
Cash flow from financing activities		**0**
Change in cash and cash equivalents		**0**
Cash and cash equivalents at 29 July 2014		0
Change in cash and cash equivalents		0
Cash and cash equivalents at 31 December 2014	**3**	**0**

Note 1 Organization and basis for preparation

Team Tankers International Ltd. ("Team Tankers International") is incorporated and domiciled in Bermuda. The Company was incorporated on 29 July 2014 as an exempted company under the laws of Bermuda and in accordance with the Bermuda Companies Act. The address of its registered office is Williams House, 4th Floor, 20 Reid Street, Hamilton HM 11, Bermuda.

Team Tankers International was incorporated on 29 July 2014. Team Tankers International is a wholly owned subsidiary of Eitzen Chemical ASA, and was established to serve as the parent company after the restructuration of Eitzen Chemical ASA and its subsidiaries (collectively, the "Group"). Team Tankers International will be the parent company of the Group, and will directly hold the shares in Eitzen Chemical ASA.

These financial statements have been prepared for the period from 29 July 2014, the date of incorporation, to 31 December 2014 in connection with the preparation and filing of the prospectus for the exchange offer to acquire all issued and outstanding shares in Eitzen Chemical ASA, and to list the shares of Team Tankers International on the Oslo Stock Exchange.

Note 2 Significant accounting policies

Basis of preparation
The financial statements of Team Tankers International are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. Based on the current operations of Team Tankers International, none of the new accounting standards that came into effect after 1 January 2015 is expected to have a significant impact for Team Tankers International.

Cash and cash equivalents
Cash and cash equivalents include bank deposits, which is subject to an insignificant risk of change in value.

Note 3 Other current assets

Other current assets at 31 December 2014 is a receivable of the share capital of USD 10,000. With reference to note 6, the share capital was paid by Eitzen Chemical ASA on 2 January 2015.

Note 4 Equity and shareholders

The Board of Directors has authorized and issued 1,000,000 shares at par value of USD 0.01 to Eitzen Chemical ASA. The total share capital as of 31 December 2014 is USD 10,000. The share capital was unpaid as of 31 December 2014. With reference to note 6, the share capital was paid by Eitzen Chemical ASA on 2 January 2015.

There is only one class of shares, and all shares have equal voting rights.

Note 5 Financial risk management

Currently, there are no operations at Team Tankers International, and the only asset owned by the company is a short term receivable from Team Tankers International's parent company, Eitzen

Chemical ASA. Therefore the only risk Team Tankers International is exposed to is credit risk, arising from a receivable from the parent company. With reference to note 6, the receivable was paid by Eitzen Chemical ASA on 2 January 2015.

Note 6 Subsequent events

On 2 January 2015, Eitzen Chemical ASA paid the share capital of USD 10,000 in Team Tankers International.

On 07 January 2015, Team Tankers International incorporated the four wholly owned subsidiaries Team Tankers Regional Ltd., Team Tankers City Class Ltd., Team Tankers Deep Sea Ltd. and Team Tankers Shipping & Trading Ltd.

Team Tankers International is planning a voluntary offer to purchase all issued and outstanding shares of Eitzen Chemical ASA, and is expected to submit its application to the Oslo Stock Exchange in January 2015. New shares in Team Tankers International will be offered to be issued to the shareholders in Eitzen Chemical ASA as consideration for the shares in Eitzen Chemical ASA. Team Tankers International will also apply for admission to list its shares on the Oslo Stock Exchange.

EY
Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av den norske revisorforening

To the Board of Directors of
Team Tankers International Ltd.

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Team Tankers International Ltd., which comprise the statement of financial position as at 31 December 2014, the statements of comprehensive income, cash flows and changes in equity for the period from 29 July 2014 to 31 December 2014, a summary of significant accounting policies and other explanatory information.

The Board of Directors' responsibility for the financial statements

The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements of Team Tankers International Ltd. have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2014 and its financial performance and its cash flows for the period then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Oslo, 9 January 2015
ERNST & YOUNG AS

Finn Ole Edstrøm
State Authorised Public Accountant (Norway)

APPENDIX V

VALUATION REPORTS

RS Platou

Eitzen Chemical ASA
Ruseløkkveien 6
N-0251 Oslo
Norway

Department: Sale and purch.
Telephone direct: 23 11 25 00
Telefax: 23 11 23 11
E-mail Internet: snp@platou.com

Our ref. : JUBI / OLZA **Oslo,** 20.01.15

VALUATIONS

Upon your request, we value the below vessels as per 20th January, 2015 as follows;

Vessel	DWT	Built	Coating Type	Value	
SICHEM COLIBRI	3591	2001	Stainless Steel	MUSD	6,50
SICHEM SPARROW	3596	2001	Stainless Steel	MUSD	6,50
SICHEM HOUSTON	6270	1995	Stainless Steel	MUSD	3,75
SICHEM CROISIC	7721	2001	Stainless Steel	MUSD	11,50
SICHEM LILY	8109	2009	Stainless Steel	MUSD	17,00
SICHEM ORCHID	8115	2008	Stainless Steel	MUSD	16,50
SICHEM IRIS	8139	2008	Stainless Steel	MUSD	16,50
TOUR MARGAUX	8642	1993	Epoxy & Stainless	MUSD	4,50
SICHEM PALACE	8807	2004	Stainless Steel	MUSD	12,00
SICHEM AMETHYST	8816	2006	Stainless Steel	MUSD	13,75
SICHEM RUBY	8824	2006	Stainless Steel	MUSD	13,75
SICHEM ANELINE	8941	1998	Epoxy	MUSD	4,50
TOUR POMEROL	10379	1998	Stainless Steel	MUSD	9,50
SICHEM FUMI	11676	1996	Stainless Steel	MUSD	6,50
SICHEM MISSISSIPPI	12082	2008	Stainless Steel	MUSD	17,50
SICHEM CHALLENGE	12180	1998	Stainless Steel	MUSD	8,50
SICHEM DUBAI	12888	2007	Epoxy	MUSD	12,00
SICHEM MARSEILLE	12927	2007	Epoxy	MUSD	12,00
SICHEM MELBOURNE	12936	2007	Epoxy	MUSD	12,00
SICHEM NEW YORK	12944	2007	Epoxy	MUSD	12,00
SICHEM BEIJING	13068	2007	Epoxy	MUSD	12,00
SICHEM MONTREAL	13069	2008	Epoxy	MUSD	13,00
SICHEM PARIS	13079	2008	Epoxy	MUSD	13,00
SICHEM MUMBAI	13085	2006	Epoxy	MUSD	11,50
SICHEM ONOMICHI	13104	2008	Epoxy	MUSD	13,00
SICHEM HIROSHIMA	13119	2008	Epoxy	MUSD	13,00
SICHEM SINGAPORE	13141	2006	Epoxy	MUSD	11,50
SICHEM HONG KONG	13153	2007	Epoxy	MUSD	12,00
SICHEM EDINBURGH	13153	2007	Marineline	MUSD	13,00
SICHEM RIO	13162	2006	Epoxy	MUSD	11,50
SICHEM MANILA	13162	2007	Marineline	MUSD	13,00
SICHEM DEFIANCE	17395	2001	Stainless Steel	MUSD	14,00
SICHEM CONTESTER	19821	2007	Stainless Steel	MUSD	25,50
NORTH CONTENDER	19925	2005	Stainless Steel	MUSD	23,00
NORTH FIGHTER	19932	2006	Stainless Steel	MUSD	24,00

RS Platou

DREGGEN	19994	2008	Stainless Steel	MUSD	27,00
SICHEM HAWK	25385	2008	Epoxy	MUSD	22,00
SICHEM FALCON	25418	2009	Epoxy	MUSD	23,00
SICHEM EAGLE	25421	2008	Epoxy	MUSD	22,00
SICHEM OSPREY	25431	2009	Epoxy	MUSD	23,00
SITEAM ANJA	44640	1997	Epoxy	MUSD	10,00
SITEAM DISCOVERER	46005	2008	Epoxy & Zinc	MUSD	31,00
SITEAM VOYAGER	46017	2008	Epoxy & Zinc	MUSD	31,00
SITEAM LEADER	46017	2009	Epoxy & Zinc	MUSD	33,00
SITEAM EXPLORER	46026	2007	Epoxy & Zinc	MUSD	29,00
SITEAM ADVENTURER	46026	2007	Epoxy & Zinc	MUSD	29,00

The above valuation assumes the vessels to be in sound condition, free of average damage, free of charter commitments and there being a willing seller and willing buyer. It is furthermore based upon our opinion of the conditions prevailing on the Sale and Purchase market at the time mentioned and should not be taken to apply to any other date. No assurance can be given that the value will be sustained or that it is realizable in an actual transaction.

We have not physically inspected the vessels nor have we inspected their classification records. The valuation and particulars are given in good faith but are statements of opinion and are not to be taken as representations of fact. Any person contemplating entering a transaction or otherwise relying upon this valuation should satisfy himself by inspection of the vessels or otherwise as to the correctness of the statements and assumptions which the valuation contains.

The vessels have been valued individually. If all, or a substantial number, of the vessels were placed on the market at the same time, no assurance can be given that the amount realised would be equal to the total of the individual valuations.

These valuations are based on material in the public domain. RS Platou ASA has not undertaken any independent examination in this respect and does not represent or warrant its accuracy.

Valuations of this nature will always contain an element of uncertainty, and although reasonable care and efforts have been exerted, RS Platou ASA does not accept any legal or financial liability related to this valuation or for any consequences resulting from acting to or relying on statements made in this valuation.

This valuation is provided solely for the private use of the person to whom it is addressed, it is not for circulation or publication without obtaining our written permission.

Oslo, 20th January 2015
for RS Platou ASA

Julius W. Biermann

GRIEG SHIPBROKERS

Eitzen Chemical ASA
P.O. Box 1794 Vika
N-0122 Oslo
Norway

Oslo, 20th January 2015

Dear Sirs,

With reference to your request for an opinion of fair market replacement value on the vessels named below, based on "willing Buyer / willing Seller" and the assumption that the vessels are in good and seaworthy condition, based on cash payment on normal commercial terms, prompt Charter free basis and also assuming that the vessels are in a fully maintained class, free of conditions and recommendations, undamaged and fully equipped and Oil Major approved and fully tradable with parcels and full cargoes of IMOII chemicals, we are of the opinion that the fair market value of these vessels as of **20th January 2015** are in the region of:

VESSEL	DWT	YEAR	YARD	COATING	VALUE	
SICHEM COLIBRI	3591	2001	INP Heavy Ind	StSt	MUSD	6,25
SICHEM SPARROW	3596	2001	INP Heavy Ind	StSt	MUSD	6,25
SICHEM HOUSTON	6270	1995	Cantieri Morini	StSt	MUSD	4,50
SICHEM CROISIC	7721	2001	Kleven Florø	StSt	MUSD	10,00
SICHEM LILY	8109	2009	Sekwang	StSt	MUSD	18,25
SICHEM ORCHID	8115	2008	Sekwang	StSt	MUSD	18,00
SICHEM IRIS	8139	2008	Sekwang	StSt	MUSD	18,00
TOUR MARGAUX	8642	1993	YVC, Rotterdam	Epoxy&StSt	MUSD	4,50
SICHEM PALACE	8807	2004	Usuki	StSt	MUSD	11,00
SICHEM AMETHYST	8816	2006	Murakami	StSt	MUSD	12,50
SICHEM RUBY	8824	2006	Murakami	StSt	MUSD	12,50
SICHEM ANELINE	8941	1998	Barreras Shipyard	Epoxy	MUSD	4,00
TOUR POMEROL	10379	1998	YVC, Rotterdam	StSt	MUSD	7,50
SICHEM FUMI	11676	1996	Fukuoka	StSt	MUSD	5,50
SICHEM MISSISSIPPI	12082	2008	Sasaki	StSt	MUSD	19,00
SICHEM CHALLENGE	12180	1998	Watanabe	StSt	MUSD	7,50
SICHEM DUBAI	12888	2007	Samho	Epoxy	MUSD	13,00
SICHEM MARSEILLE	12927	2007	Samho	Epoxy	MUSD	13,00
SICHEM MELBOURNE	12936	2007	Samho	Epoxy	MUSD	13,00
SICHEM NEW YORK	12944	2007	Samho	Epoxy	MUSD	13,00
SICHEM BEIJING	13068	2007	21st Century	Epoxy	MUSD	13,00
SICHEM MONTREAL	13069	2008	21st Century	Epoxy	MUSD	13,50
SICHEM PARIS	13079	2008	21st Century	Epoxy	MUSD	13,50
SICHEM MUMBAI	13085	2006	21st Century	Epoxy	MUSD	12,50
SICHEM ONOMICHI	13104	2008	Sekwang	Epoxy	MUSD	13,50
SICHEM HIROSHIMA	13119	2008	Sekwang	Epoxy	MUSD	13,50
SICHEM SINGAPORE	13141	2006	21st Century	Epoxy	MUSD	12,50
SICHEM HONG KONG	13153	2007	21st Century	Epoxy	MUSD	13,00
SICHEM EDINBURGH	13153	2007	21st Century	Marineline	MUSD	13,00
SICHEM RIO	13162	2006	21st Century	Epoxy	MUSD	12,50

VESSEL	DWT	YEAR	YARD	COATING	VALUE	
SICHEM MANILA	13162	2007	21st Century	Marineline	MUSD	13,00
SICHEM DEFIANCE	17395	2001	Fukuoka	StSt	MUSD	14,00
SICHEM CONTESTER	19821	2007	Fukuoka	StSt	MUSD	25,75
NORTH CONTENDER	19925	2005	Fukuoka	StSt	MUSD	23,00
NORTH FIGHTER	19932	2006	Fukuoka	StSt	MUSD	24,50
DREGGEN	19993	2008	Fukuoka	StSt	MUSD	26,75
SICHEM HAWK	25385	2008	Dae Sun	Epoxy	MUSD	23,00
SICHEM FALCON	25418	2009	Dae Sun	Epoxy	MUSD	24,00
SICHEM EAGLE	25421	2008	Dae Sun	Epoxy	MUSD	23,00
SICHEM OSPREY	25431	2009	Dae Sun	Epoxy	MUSD	24,00
SITEAM ANJA	44640	1997	Stocznia Szczecin	Epoxy	MUSD	8,50
SITEAM DISCOVERER	46005	2008	Brodotrogir	Epoxy&Zinc	MUSD	31,50
SITEAM VOYAGER	46017	2008	Brodotrogir	Epoxy&Zinc	MUSD	31,50
SITEAM LEADER	46017	2009	Brodotrogir	Epoxy&Zinc	MUSD	32,50
SITEAM EXPLORER	46026	2007	Brodotrogir	Epoxy&Zinc	MUSD	30,50
SITEAM ADVENTURER	46026	2007	Brodotrogir	Epoxy&Zinc	MUSD	30,50
TOTAL					**MUSD**	**733,75**

We would like to point out that this assessment is based on limited information, either obtained from relevant works of reference or technical descriptions supplied to us by your good self, the accuracy of which we do not accept any responsibility for. This assessment is also made without inspection of the vessel or it's Classification Records, and the position should be verified by inspection. The above values are a statement of opinion and not to be taken as a representation of fact. Furthermore, the values are based solely upon our opinion of a fair market value at this present time and should not be applied to any other date.

Any person contemplating entering into a transaction or otherwise relying upon this Valuation should satisfy himself by inspection of the vessel or otherwise as to the correctness of the statements and assumptions which this Opinion of Value contains. This Opinion is given in good faith, but neither the company nor its officers shall in any circumstances whatsoever be held responsible for any errors or omissions herein or otherwise. No assurance is given that such a value will be sustained or can be realised in an actual transaction.

Furthermore, this Opinion has been provided solely for the private use of whom it is addressed. This Opinion is not for circulation or publication without our written consent, and no responsibility whatsoever can be accepted to any other person or entity.
Without prejudice, precedence and liability, we permit Eitzen Chemical ASA to disclose the valuation of these vessels in their prospectus in connection with their IPO.

Kind regards,
Joachim Grieg & Co.

Tord Indredavik

APPENDIX VI

EXCHANGE OFFER ACCEPTANCE FORM

Exchange Offer Acceptance Form

For use in accepting the voluntary exchange offer (the "**Exchange Offer**") by Team Tankers International Ltd. (the "**Offeror**") to purchase all issued and outstanding shares in Eitzen Chemical ASA ("**Eitzen Chemical**") on the terms and conditions set forth in the combined offer document and prospectus dated 29 January 2015 (the "**Document**"). Capitalised terms used in this Acceptance Form shall have the same meaning as set out in, and be deemed to be construed in accordance with, the Document. The terms of the Exchange Offer are set forth in the Document, see Section 5 - "The Exchange Offer" and in particular section 5.8 - "Acceptance of the Exchange Offer" of the Document.

Exchange ratio: 3 shares in Eitzen Chemical ASA to be exchanged into 1 share in Team Tankers International Ltd.

Offer Period: From and including 30 January 2015 to and including 28 February 2015 at 06:00 hours (CET).

Return to:
ABG Sundal Collier Norge ASA
Munkedamsveien 45 E, 7th floor
P.O.Box 1444 Vika
0115 Oslo
Norway

FAX +47 22 01 60 62
E-mail: acceptance@abgsc.no

Shareholdings registered with the VPS:

The shareholder register of Eitzen Chemical ASA maintained in the VPS as of 28 January 2015 shows:

VPS Account:	Number of Shares:	Rights holder registered:

Bank account registered in VPS:

☐ **Acceptance of all Eitzen Chemical Shares in above VPS account**

☐ **Partial acceptance of Eitzen Chemical Shares in above VPS account. I/we accept the Exchange Offer for …… shares**

Guidance:

- Shareholders should read the Document carefully, and note in particular the information and restrictions described in the sections headed "Important Information" and "General Information".
- Shareholders whose Eitzen Chemical Shares are held in more than one VPS accounts will receive one acceptance form for each such account.
- Unless the acceptance has been limited to a specific number of Eitzen Chemical Shares by ticking the "Partial acceptance" box above and inserting a number of shares, this acceptance will be deemed to encompass the shares stipulated in the box "Number of Shares" under "Shareholdings registered with the VPS" above as well as any other Eitzen Chemical Shares which have been or will be acquired and which will be credited to the VPS account set out above.
- Settlement of the Consideration Shares will be made in accordance with the procedures set forth in section 5.14 - "Settlement" of the Document.
- This acceptance will be treated as valid only if any rights holder (marked with a "Yes" under "Right holder registered" in the right box under "Shareholdings registered in the VPS" above) has consented to the sale and transfer of the Eitzen Chemical Shares free of encumbrances or other third-party rights to the Offeror by signing this Acceptance Form under "Rights holder" below.

Acceptance:

By executing and delivering this Acceptance Form I/we represent and warrant that I/we have received the Document, and accept the Exchange Offer for all of my/our Shares in the Company in accordance with the terms of the Exchange Offer as set forth in the Document.

Signature:

Place	Date	Signature*	Telephone daytime

* If signed by power of attorney, the power of attorney (and with respect to companies, Certificate of Registration or similar documentation) shall be enclosed. If signed by a person with signatory right, Certificate of Registration or similar documentation shall be enclosed.

Rights holder:

As rights holder, the undersigned consents to the transfer of the Eitzen Chemical Shares to the Offeror free of encumbrances or other third-party rights.

Place	Date	Rights holder's signature**

** If signed by power of attorney, the power of attorney (and with respect to companies, Certificate of Registration or similar documentation) shall be enclosed. If signed by a person with signatory right, Certificate of Registration or similar documentation shall be enclosed. If more than one rights holder is registered, each rights holder must sign.

Akseptblankett for Ombyttetilbudet

Til bruk ved aksept av det frivillige ombyttetilbudet ("**Ombyttetilbudet**") fra Team Tankers International Ltd. ("**Tilbyder**") om kjøp av alle utestående aksjer i Eitzen Chemical ASA ("**Eitzen Chemical**") på de vilkår som fremgår av det kombinerte tilbudsdokumentet og prospektet datert 29. januar 2015 ("**Dokumentet**"). Uttrykk med stor forbokstav i denne akseptblanketten, skal ha samme innhold, og tolkes på samme måte, som i Dokumentet. Vilkårene for Ombyttetilbudet er inntatt i Dokumentet, se avsnitt 5- "The Exchange Offer" og særlig punkt 5.8 – "Acceptance of the Exchange Offer" i Dokumentet.

Bytteforhold: 3 aksjer Eitzen Chemical ASA vil bli byttet til 1 aksje i Team Tanker International Ltd.

Tilbudsperiode: Fra og med 30. januar 2015 til og med 28. februar 2015 kl. 06.00 (CET).

Returneres til:
ABG Sundal Collier Norge ASA
Munkedamsveien 45 E, 7 etg
P.O.Box 1444 Vika
0115 Oslo
Norway

FAX +47 22 01 60 62
Epost: acceptance@abgsc.no

Aksjebeholdning registrert i VPS:

Eitzen Chemicals aksjonærregister i VPS viser per 28. januar 2015:

VPS-konto:	**Antall aksjer:**	**Registrerte rettighetshavere:**

Bank-konto registrert i VPS:

☐ **Aksept av alle Eitzen Chemical Aksjer på ovennevnte VPS-konto**

☐ **Delvis aksept for Eitzen Chemical Aksjene på ovennevnte VPS-konto. Jeg/vi aksepterer Ombyttetilbudet for …… Eitzen Chemical Aksjer**

Veiledning:

- Aksjeeiere bør lese Dokumentet grundig og merke seg spesielt informasjonen og begrensningene inntatt i punktet med overskriftene "Important Information" og "General Information".
- Aksjonærer som har aksjer fordelt på mer enn én VPS-konto vil motta én akseptblankett for hver av kontoene.
- Med mindre aksepten begrenses til å gjelde et bestemt antall aksjer ved å krysse av i "Delvis aksept" boksen ovenfor og angir et bestemt antall Eitzen Chemical Aksjer, anses denne aksepten å omfatte alle Eitzen Chemical Aksjene angitt i boksen "Antall aksjer" under "Aksjebeholdning registrert i VPS" ovenfor samt alle Eitzen Chemical Aksjer som har blitt eller blir erverver og som vil bli kreditert VPS-kontoen indikert ovenfor.
- Oppgjøret av Vederlagsaksjene vil gjennomføres som beskrevet i punkt 5.14 – "Settlement" i Dokumentet.
- Aksepten er bare gyldig dersom samtlige rettighetshavere (markert med et "Ja" under "Registrerte rettighetshavere" i boksen til høyre under "Aksjebeholdning registrert i VPS" ovenfor) har samtykket til at Eitzen Chemical Aksjene selges og overføres til Tilbyder fri for heftelser eller andre tredjepartsrettigheter ved å underskrive denne akseptblanketten under "Rettighetshaver" nedenfor.

Aksept:

Ved å fylle ut og sende inn denne akseptblanketten, bekrefter jeg/vi at jeg/vi har mottatt Dokumentet, og aksepterer Tilbudet for alle mine/våre Aksjer i Selskapet på de vilkår for Tilbudet som fremgår av Dokumentet.

Signatur:

Sted	Dato	Signatur*	Telefon dagtid

* Hvis underskrevet i henhold til fullmakt, skal fullmakt (og for selskaper, firmaattest eller tilsvarende dokumentasjon) følge vedlagt. Hvis underskrevet av en person med signaturrett, skal firmaattest eller tilsvarende dokumentasjon vedlegges.

Rettighetshaver:

Som rettighetshaver, samtykker undertegnede til at Aksjene overføres til Tilbyder fri for heftelser eller andre tredjepartsrettigheter.

Sted Dato Rettighetshavers signatur**

** Hvis signert i henhold til fullmakt skal fullmakt (og for selskaper, firmaattest eller tilsvarende dokumentasjon) følge vedlagt. Hvis signert av en person med signaturrett, skal firmaattest eller tilsvarende dokumentasjon vedlegges. Hvis det er registrert flere enn én rettighetshaver, må hver enkelt rettighetshaver signere.

APPENDIX VII

ACCEPTANCE FORM RETAIL OFFERING

Team Tankers International Ltd.

Application Form for the Retail Offering

Receiving Agent:

ABG Sundal Collier Norge ASA
Munkedamsveien 45 D
P.O. Box 1444 Vika
NO-0115 Oslo, Norway
Tel: +47 22 01 60 00
Fax: +47 22 01 60 62
E-mail: subscription@abgsc.no
www.abgsc.no

General: The terms and conditions of the Retail Offering by Team Tankers International Ltd. ("**Team Tankers**") or the "**Company**") are set out in the combined offer document ant prospectus dated 29 January 2015 (the "**Document**"). Words and expressions which are defined in the Document shall have the same meaning when used herein.

Application procedure: Application Forms may be sent by mail or e-mail, faxed or delivered by hand to the Receiving Agent in the period from and including 30 January 2015 at 09:00 hours (CET) to and including 27 February 2015 16:30 hours (CET) (the "**Retail Application Period**"). Subject to any changes in the Retail Application Period, properly completed Application Forms must be received by one of the Receiving Agent by 16:30 hours CET on 27 February 2015 in order to be considered. Norwegian investors in the Retail Offering may also apply for Offer Shares on *www.abgsc.no* within the expiry of the Retail Application Period.

The Retail Offering is subject to a minimum application amount of NOK 12,500 and a maximum application amount of NOK 25,000 for each Applicant. Neither the Company nor the Receiving Agent may be held responsible for postal delays, unavailable fax lines, unavailable internet lines or servers or other logistical or technical problems that may result in applications not being received in time or at all by the Receiving Agent. The Board and/or the Receiving Agent may in its sole discretion waive any defect or irregularity in the Application Form, (and as such accept any incorrectly completed Application Forms), permit such defect or irregularity to be corrected within such time as the Board or the Receiving Agent may determine, or reject the purported application for any Offer Shares in the Retail Offering, without notice to the Applicant. By signing and submitting this Application Form, the Applicant confirms to have read the Document and to be eligible to apply for Offer Shares in the Retail Offering under the terms set forth in the Document, and grants the Receiving Agent an irrevocable authorisation to subscribe for the Offer Shares allocated to the Applicant on the Applicant's behalf. An application is irrevocable and may not be withdrawn, cancelled or modified once it has been received by the Receiving Agent. Multiple applications (i.e. applications on more than one Application Form) are not allowed. In the event an Applicant, or his personally related parties, submits two or more Application Forms, the Applicant runs the risk of either having the multiple applications accumulated or either of, or all of the applications annulled at the discretion of the Company. The Applicants must satisfy the applicable requirements under the Norwegian Money Laundering Act No. 11 of 6 March 2009.

Price Range, Offer Price and Discount: The Offer Price for the Offer Shares offered in the Retail Offering will be volume weighted average trading price in the shares of Eitzen Chemical ASA the last 5 business days of the Retail Application Period and will be announced through Oslo Børs' information system and in the allocation letters. Each Applicant being allotted Offer Shares will be granted a fixed discount of NOK 1,500, regardless of the number of Offer Shares subscribed and allocated.

Allocation of Offer Shares: The Board of Directors of the Company will allocate the Offer Shares in accordance with the principles of allocation set out in the Document. All Applicants being allotted Offer Shares in the Retail Offering will receive a letter confirming the number of Offer Shares allotted and the corresponding amount to be paid. These letters are expected to be mailed on or about 2 March 2015.

Payment: The payment for Offer Shares allocated to an Applicant will be debited on or about 4 March 2015 (the "**Retail Payment Date**"), however, there must be sufficient funds in the bank account designated by the Applicant below from and including 3 March 2015. By signing this Application Form, the Applicant grants the Receiving Agent an irrevocable one-time authorisation to debit the total amount payable for the Offer Shares which are allocated to the Applicant from the bank account. The Receiving Agent is only authorised to debit such account once, but reserve the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Retail Payment Date. If there are insufficient funds in an Applicant's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made, or if proper and timely payment is not otherwise made, the Applicant's obligation to pay for the Offer Shares will be deemed overdue. Applicants who do not have a Norwegian bank account must contact the Receiving Agent to arrange for payment.

Delivery of Offer Shares: It is expected that the Offer Shares will be delivered in the VPS to Applicants in the Retail Offering on or about 6 March 2015, provided that the Applicant has paid for the Offer Shares allocated to the Applicant when due.

Regulatory restrictions: The Retail Offering is directed to investors in Norway only.

PLEASE SEE PAGE 2 OF THIS APPLICATION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE APPLICATION

SPECIFICATION OF THE APPLICATION

Applicant's VPS account (12 digits)[1]	NOK amount applied for: (minimum NOK 12,500 and maximum NOK 25,000):

[1)] *In order to subscribe for Offer Shares, the Applicant must have a VPS account. Such an account can only be established by personal appearance with sufficient identification at a VPS book-entry agent or an authorised investment firm.*

Irrevocable one-time authorisation for debiting bank account (required information for Applicants with a Norwegian bank account):

The undersigned hereby grants an irrevocable authorisation to the Receiving Agent to debit the Norwegian bank account set out herein for the total subscription amount for the Offer Shares allocated (number of allocated Offer Shares multiplied by the Offer Price)	**Bank account number (11 digits)**

In accordance with the terms and conditions set out in the Document and this Application Form, I/we hereby irrevocably apply for a number of Offer Shares equal to the application amount specified above, and grant the Receiving Agent authorisation to on my/our behalf subscribe for the Offer Shares allocated and authorise the Receiving Agent to debit the bank account specified above for the Offer Shares allocated to me/us.

Place and date of application (must be dated within the Retail Application Period)	Binding signature. The Applicant must have legal capacity. When signed on behalf of another person, evidence of authority must be enclosed.

DETAILS OF THE APPLICANT (REQUIRED INFORMATION)

Applicant's first name:	Applicant's surname/firm, etc.:
Street address etc. (private Applicants: home address), postal code and area:	
Nationality:	Date of birth/ national ID / business registration number:
Telephone (at day time) / telefax / e-mail:	

Regulatory Issues: In accordance with the Markets in Financial Instruments Directive ("MiFID") of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect the Receiving Agent must categorise all new clients in one of three categories: eligible counterparties, professional and non-professional clients. All applicants in the Retail Offering who are not existing clients of the Receiving Agent will be categorised as non-professional clients. Applicants can by written request to the Receiving Agent ask to be categorized as a professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act. For further information about the categorisation, the Applicant may contact ABG Sundal Collier Norge ASA (P.O. Box 1444 Vika, NO-0115 Oslo, Norway, www.abgsc.no). **The Applicant represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

Selling and Transfer Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to Section 6 of the Document - "The Cash Offer". No one has taken any action that would permit a public offering of Shares to occur outside of Norway, and there will be no public offer of the Offer Shares outside of Norway. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. The Offer Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or with any regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. All offers and sales of the Offer Shares in the Retail Offering will be made outside the United States in reliance on Regulation S under the US Securities Act.

The Company has not authorised any offer to the public of its securities in any Member State of the European Economic Area other than Norway. With respect to each Member State of the European Economic Area other than Norway and which has implemented the EU Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any acceptance of any application from outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Execution Only: The Receiving Agent will treat this Application Form as an execution-only instruction. The Receiving Agent is not required to determine whether an investment in the Offer Shares is appropriate or not for the Applicant. Hence, the Applicant will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The Applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Commercial Banks Act and foreign legislation applicable to the Receiving Agent there is a duty of secrecy between the different units of the Receiving Agent as well as between the other entities in the Receiving Agent's respective groups. This may entail that other employees of the Receiving Agent or the Receiving Agent's respective groups may have information that may be relevant to the Applicant, but which the Receiving Agent will not have access to in their capacity as Receiving Agent for the Retail Offering.

Information Barriers: The Receiving Agent is a securities firm that offers a broad range of investment services. In order to ensure that assignments undertaken in the Receiving Agent's corporate finance department are kept confidential, the Receiving Agent's other activities, including analysis and stock broking, are separated from the Receiving Agent's corporate finance department by information walls. The Applicant acknowledges that the Receiving Agent's analysis and stock broking activity may act in conflict with the Applicant's interests with regard to transactions of the Offer Shares as a consequence of such information walls.

Mandatory Anti-Money Laundering Procedures: The Retail Offering is subject to the Norwegian Money Laundering Act No. 11 of March 6, 2009 and the Norwegian Money Laundering Regulations No. 302 of March 13, 2009 (collectively the "Anti-Money Laundering Legislation"). Applicants who are not registered as existing customers with the Receiving Agent must verify their identity in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Application Form are exempted, unless verification of identity is requested by the Receiving Agent. The verification of identity must be completed prior to the end of the Application Period. Applicants that have not completed the required verification of identity may not be allocated Offer Shares. Further, in participating in the Retail Offering, each Applicant must have a VPS account. The VPS account number must be stated on the Application Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Services Authority of Norway. Establishment of a VPS account requires verification of identity before the VPS registrar in accordance with the Anti-Money Laundering Legislation.

Investment decisions based on full Document: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Document.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank.
b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
c) The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
d) In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
e) The payer cannot authorise payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue Payment: Overdue and late payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 9.25% per annum. If an Applicant fails to comply with the terms of payment, the Offer Shares will, subject to the discretion of the Receiving Agent, not be delivered to the Applicant, and the Receiving Agent reserves the right, at the risk and cost of the applicant (however, so that the applicant will not be entitled to any profit therefrom), to cancel the application and to re-allot or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Receiving Agent may decide in accordance with Norwegian law. The original applicant remains liable for payment of the Offer Price for the Offer Shares allocated to the Applicant together with any interest, cost, charges and expenses suffered or incurred by the Company or the Receiving Agent as a result of or in connection with such sales, and the Company or the Receiving Agent may enforce payment for any such amount outstanding.

Team Tankers International Ltd.

Bestillingsblankett for Offentlig Tilbud

Oppgjørsagent:

ABG Sundal Collier Norge ASA
Munkedamsveien 45 D
P.O. Box 1444 Vika
NO-0115 Oslo, Norway
Tel: +47 22 01 60 00
Fax: +47 22 01 60 62
E-mail: subscription@abgsc.no
www.abgsc.no

Generelt: Vilkårene for det Offentlige Tilbudet i Team Tankers International Ltd. ("Team Tankers" eller "Selskapet") fremgår av det kombinerte tilbudsdokumentet og prospektet datert 29. januar 2015 ("Dokumentet"). Alle definerte ord og uttrykk (angitt med stor bokstav) som ikke er definert i denne bestillingsblanketten, skal ha samme betydning som i Dokumentet.

Bestilling av Tilbudsaksjer: Bestillingsblankett kan sendes via post eller e-post, fakses eller leveres til Oppgjørsagenten i perioden fra og med 30. januar 2015 kl. 09.00 (CET) til og med 27. februar 2015 kl. 16.30 (CET) (den "Offentlige Bestillingsperioden"). Med forbehold om eventuelle endringer i den Offentlige Bestillingsperioden, må korrekt utfylt Bestillingsblankett være mottatt av Oppgjørsagenten innen 27. februar 2015 kl. 16.30 for å bli vurdert. Norske investorer i det Offentlige Tilbudet kan også bestille Tilbudsaksjer på *www.abgsc.no* innen utløpet av den Offentlige Bestillingsperioden.

Det Offentlige Tilbudet er gjenstand for en minimumsbestilling på et beløp stort NOK 12.500 og maksimumsbestilling for et beløp stort NOK 25.000 pr. Bestiller. Hverken Selskapet eller Oppgjørsagenten kan bli holdt ansvarlige for forsinkelser i posten, utilgjengelige fakslinjer, utilgjengelige internettlinjer eller servere eller andre logistikkmessige eller tekniske problemer som kan medføre at bestillingene ikke blir mottatt i tide eller i det hele tatt av Oppgjørsagenten. Bestillingsblanketter mottatt etter utløpet av den Offentlige Bestillingsperioden og/eller ufullstendige eller uriktige Bestillingsblanketter, så vel som enhver bestilling som ikke er lovlig, kan bli sett bort i fra etter Styrets, Selskapets eller Oppgjørsagentens eget skjønn uten å gi beskjed til Bestilleren. Ved å signere og sende inn denne Bestillingsblanketten, bekrefter Bestilleren å ha lest Dokumentet samt å være kvalifisert til å bestille Tilbudsaksjer i det Offentlige Tilbudet på de vilkår som følger av Dokumentet, og gir herved Oppgjørsagenten en fullmakt til å tegne Tilbudsaksjer som er allokert til Bestilleren på Bestillerens vegne. En bestilling er ugjenkallelig og kan ikke trekkes tilbake, kanselleres eller endres etter at den har blitt mottatt av Oppgjørsagenten. Flere bestillinger (dvs. bestillinger på mer enn én Bestillingsblankett) er ikke tillatt. I det tilfellet at en Bestiller, eller vedkommendes personlige nærstående, sender inn to eller flere Bestillingsblanketter, løper Bestilleren risiko for at flere bestillinger blir akkumulert eller en eller alle bestillingene blir annullert etter Selskapets eget skjønn. Bestillere må tilfredsstille de gjeldende reglene som følger av lov av 6. mars 2009 nr. 11 om tiltak mot hvitvasking og terrorfinansiering.

Prisintervall, Tilbudspris og Rabatt: Tilbudsprisen for Tilbudsaksjene som tilbys i det Offentlige Tilbudet vil bli basert på en volumvektet gjennomsnittskurs på aksjene i Eitzen Chemical ASA siste 5 forretningsdager av den Offentlige Bestillingsperioden og vil bli annonsert via Oslo Børs informasjonssystem og i tildelingsbrevene. Hver Bestiller som får tildelt Tilbudsaksjer vil få en fast rabatt på NOK 1.500, uavhengig av antallet Tilbudsaksjer som er tegnet og tildelt.

Tildeling av Tilbudsaksjer: Styret i Selskapet vil tildele Tilbudsaksjene i samsvar med prinsippene for tildeling som er beskrevet i Dokumentet. Alle Bestillere som får tildelt Tilbudsaksjer i det Offentlige Tilbudet vil motta et brev som bekrefter antallet Tilbudsaksjer som er tildelt og tilsvarende beløp som skal betales. Disse brevene forventes å bli sendt på eller omkring 2. mars 2015.

Betaling: Betaling for Tilbudsaksjene som tildeles Bestilleren vil bli debitert på eller rundt 4. mars 2015 ("Forfallsdato"), og det fulle tegningsbeløpet som skal betales må være på bankkontoen som angitt nedenfor innen 3. mars 2015. Ved å signere denne Bestillingsblanketten, gir Bestilleren Oppgjørsagenten en ugjenkallelig engangsfullmakt til å debitere det totale beløpet som skal betales for Tilbudsaksjene som er tildelt Bestilleren fra den angitte bankkontoen. Oppgjørsagenten har kun fullmakt til å debitere kontoen en gang, men forbeholder seg retten til å foreta opp til tre forsøk på debitering og fullmakten vil gjelde opp til syv virkedager etter Forfallsdato. Dersom det ikke er tilstrekkelig dekning på Bestillerens bankkonto eller hvis det av andre grunner er umulig å debitere bankkontoen når debiteringsforsøket gjøres, eller hvis korrekt og rettidig betaling av annen grunn ikke foretas, vil Bestillerens plikt til å betale for Tilbudsaksjene anses å være forfalt. Bestillere som ikke har norsk bankkonto må ta kontakt med Oppgjørsagenten for å legge til rette for betaling.

Levering av Tilbudsaksjene: Det er forventet at levering av tildelte og betalte Tilbudsaksjer vil skje i VPS til Bestillere i det Offentlige Tilbudet på eller omkring 6. mars 2015.

Regulatoriske begrensninger: Det Offentlige Tilbudet rettes kun mot investorer i Norge.

VENNLIGST SE SIDE 2 AV DENNE BESTILLINGSBLANKETTEN FOR ANDRE REGLER SOM GJELDER BESTILLINGEN

SPECIFICATION OF THE APPLICATION

Bestillerens VPS-kontonummer (12 siffer)[1]	NOK beløp det bestilles for (minimum NOK 12.500 - maksimum NOK 25.000):

[1] For å kunne bestille Tilbudsaksjer må bestilleren ha en VPS-konto eller en forvalter for norske aksjer. En slik konto kan kun etableres ved personlig oppmøte med nødvendig identifikasjon hos en kontofører for VPS eller et autorisert verdipapirforetak.

Ugjenkallelig engangsfullmakt til å debitere bankkonto (påkrevd informasjon for Bestillere med norsk bankkonto):

Undertegnede gir herved en ugjenkallelig fullmakt til at Oppgjørsagenten kan debitere den norske bankkontoen som her er angitt for det totale tegningsbeløpet for Tilbudsaksjene som er tildelt (antallet tildelte Tilbudsaksjer multiplisert med Tilbudsprisen)	**Bankkontonummer (11 siffer)**

I samsvar med de vilkår som fremgår av Dokumentet og denne Bestillingsblanketten, bestiller jeg/vi herved et antall Tilbudsaksjer tilsvarende bestillingsbeløpet som angitt ovenfor, og gir Oppgjørsagenten fullmakt til å på mine/våre vegne tegne de tildelte Tilbudsaksjer samt fullmakt til å debitere bankkontoen som angitt ovenfor for Tilbudsaksjene som er tildelt meg/oss.

Sted og dato for bestilling (må være innenfor den Offentlige Tilbudsperioden)	Bindende signatur. Bestilleren må ha rettslig handleevne. Når det signeres på vegne av en annen person må bevis på fullmakt være vedlagt.

TEGNERS DETALJER (PÅKREVD INFORMASJON)

Bestillers fornavn:	Bestillers etternavn /selskap, etc.:
Gateadresse etc. (personlige Bestillere: hjemmeadresse), Postnummer og sted:	
Nasjonalitet:	Fødselsdato /nasjonalt id-nummer/ organisasjonsnummer:
Telefon (på dagtid)/telefax/e-post:	

Regulatoriske forhold: I henhold til EUs Markets in Financial Instruments Directive ("MiFID"), stiller norsk rett visse krav i tilknytning til investeringer. I den anledning må Tilretteleggerne kategorisere alle nye kunder i en av tre kategorier: kvalifiserte motparter, profesjonelle og ikke-profesjonelle kunder. Alle Bestillere i det Offentlige Tilbudet som ikke er eksisterende kunder av Oppgjørsagenten vil bli kategorisert som ikke-profesjonelle kunder. Bestillere kan skriftlig anmode Oppgjørsagenten om å bli kategorisert som profesjonell kunde dersom bestilleren oppfyller vilkårene i verdipapirhandelloven. For ytterligere informasjon om kategorisering kan bestilleren kontakte ABG Sundal Collier Norge ASA (P.O. Box 1444 Vika, NO-0115 Oslo, Norway, www.abgsc.no). Bestilleren bekrefter at han/hun/det er i stand til å vurdere fordeler og risiko ved en investeringsbeslutning om å investere i Selskapet ved å tegne Tilbudsaksjer, og er i stand til å bære den økonomiske risikoen, og til å bære et totalt tap på en investering i Tilbudsaksjer.

Salgsrestriksjoner: Tilbudet er underlagt salgsrestriksjoner i enkelte jurisdiksjoner, se Dokumentet, kapittel 6 – "The Cash Offer" for en komplett liste over salgsrestriksjoner. Tilbudsaksjene har ikke vært, og vil ikke bli, registrert i henhold til United States Securities Act av 1933 med endringer ("Securities Act") eller i henhold til noen verdipapirlovgivning i noen stat eller annen jurisdiksjon i USA og kan ikke tas opp, tilbys, selges, videreselges, overføres, leveres eller distribueres, verken direkte eller indirekte, innenfor, til eller fra USA bortsett fra i henhold til et gjeldende unntak fra, eller i en transaksjon som ikke er underlagt, registreringsbestemmelsene i Securities Act og i overensstemmelse med verdipapirlovgivningen i enhver stat eller annen jurisdiksjon i USA. Det vil ikke forekomme noe offentlig tilbud i USA. Tilbudsaksjene vil, og kan ikke, tilbys, selges, videreselges, overføres, leveres eller distribueres, verken direkte eller indirekte, innenfor, til eller fra noen jurisdiksjon der tilbud eller salg av Tilbudsaksjer ikke er tillatt, eller til, eller på regningen til eller til fordel for, enhver person med registrert adresse i, eller som bor eller vanligvis bor i, eller er innbygger i, noen jurisdiksjon der tilbud eller salg ikke er tillatt, bortsatt fra i henhold til et gjeldende unntak. I dette Offentlige Tilbudet tilbys og selges Tilbudsaksjene utenfor USA innenfor betydningen av og i henhold til unntaket fra registreringskravet i Regulation S i Securities Act.

Det er ikke gitt tillatelse til noe offentlig tilbud av Selskapets verdipapirer i noe medlemsland av det europeiske økonomiske samarbeidsområdet bortsett fra Norge. Når det gjelder andre medlemsland i det Europeiske Økonomiske Samarbeidsområdet enn Norge som har implementert Prospektdirektivet (kalt "Aktuelle Medlemsland"), har det ikke og vil ikke bli gjort noe for å fremsette et offentlig tilbud av Selskapets verdipapirer som krever publisering av et prospekt i noen av de Aktuelle Medlemsland. Alle tilbud utenfor Norge vil derfor skje i henhold til unntak fra krav om prospekt.

Kun ordreutførelse: Oppgjørsagenten vil behandle bestillingen av Tilbudsaksjer som en instruksjon om utførelse av ordre ("execution only") fra bestilleren, ettersom Tilretteleggerne ikke vil være i stand til å avgjøre om bestillingen er hensiktsmessig for bestilleren. Bestilleren vil derfor ikke kunne påberope seg verdipapirhandellovens regler om investorbeskyttelse.

Informasjonsutveksling: Tegneren bekrefter å være inneforstått med at det i henhold til verdipapirhandelloven og forretningsbankloven samt utenlandsk lovgivning som gjelder for Oppgjørsagenten, er påbud om hemmelighold mellom de ulike enhetene hos Oppgjørsagenten samt mellom de øvrige enheter i Tilretteleggernes konserner. Dette kan bety at andre ansatte hos Oppgjørsagenten eller i Oppgjørsagentens konserner kan være i besittelse av informasjon som kan være relevant for Bestilleren og for vurderingen av Tilbudsaksjene, men som Oppgjørsagenten ikke vil ha adgang til i egenskap av Oppgjørsagent for Tilbudet.

Informasjonssperrer: Oppgjørsagenten er et verdipapirforetak som tilbyr et bredt spekter av investeringstjenester. For å sikre at oppdrag i Oppgjørsagenten corporate finance-avdelinger holdes konfidensielle, er Oppgjørsagentens øvrige aktiviteter, inkludert analyse og aksjemegling, adskilt fra de Oppgjørsagentens corporate finance-avdeling gjennom informasjonssperrer. Bestilleren bekrefter å være inneforstått med at Oppgjørsagentens analyse- og megleraktiviteter kan komme i konflikt med tegnerens interesser i forhold til transaksjoner i Aksjene, inkludert Tilbudsaksjene, som følge av slike informasjonssperrer.

VPS-konto — hvitvasking: For å kunne bestille Tilbudsaksjer må bestilleren ha en VPS-konto eller en forvalter for norske aksjer. En slik konto kan kun etableres ved personlig oppmøte med nødvendig identifikasjon hos en kontofører for VPS eller et autorisert verdipapirforetak. Det Offentlige Tilbudet er underlagt gjeldende hvitvaskingslovgivning, herunder kravene i lov 6. mars 2009 nr 11 om tiltak mot hvitvasking og terrorfinansiering samt hvitvaskingsforskriften av 13. mars 2009 nr. 302 ("Hvitvaskingslovgivningen"). Bestillere som ikke er registrert som kunde hos Oppgjørsagenten må bekrefte sin identitet til Oppgjørsagenten der bestillingen plasseres, i samsvar med Hvitvaskingslovgivningen, med mindre det gjelder spesielle unntak. Bestillere som har oppgitt en norsk bankkonto og en VPS-konto på bestillingsblanketten er unntatt dersom den samlede kjøpesummen for bestilleren er lavere enn NOK 100,000 og Oppgjørsagenten ikke likevel anmoder bestilleren om verifikasjon av identitet. Bestillere som ikke har gjennomført tilstrekkelig verifikasjon av identitet før utløpet av Bestillingsperioden risikerer å ikke få allokert Tilbudsaksjer. Bestillere som ikke er kunde av Oppgjørsagenten må derfor fylle ut Oppgjørsagentens kunderegistreringsskjemaer og umiddelbart sende dette via e-post eller telefaks til Oppgjørsagenten for å kunne få tildelt Tilbudsaksjer i det Offentlige Tilbudet med mindre et unntak er tilgjengelig.

Investeringsbeslutninger må baseres på Dokumentet: Investorer må ikke akseptere noe tilbud om eller erverv av verdipapirer i Selskapet, på annet grunnlag enn det fullstendige Dokumentet.

Vilkår for Betaling med engangsfullmakt — verdipapirhandel: Betaling med engangsfullmakt er en banktjeneste som bankene i Norge samarbeider om. I forholdet mellom betaler og betalers bank gjelder følgende standard vilkår:

a) Tjenesten Betaling med engangsfullmakt — verdipapirhandel suppleres av kontoavtalen mellom betaler og betalers bank, se særlig kontoavtalen del C, Generelle vilkår for innskudd og betalingsoppdrag.
b) Kostnader ved å bruke Betaling med engangsfullmakt — verdipapirhandel fremgår av bankens gjeldende prisliste, kontoinformasjon og/eller opplyses på annen egnet måte. Banken vil belaste oppgitt konto for påløpte kostnader.
c) Engangsfullmakten signeres av betaler og leveres til betalingsmottaker. Betalingsmottaker vil levere belastningsoppdraget til sin bank som igjen kan belaste betalers bank.
d) Ved et eventuelt tilbakekall av engangsfullmakten skal betaler først ta forholdet opp med betalingsmottaker. Etter finansavtaleloven skal betalers bank medvirke hvis betaler tilbakekaller et betalingsoppdrag som ikke er gjennomført. Slikt tilbakekall kan imidlertid anses som brudd på avtalen mellom betaler og betalingsmottaker.
e) Betaler kan ikke angi et større beløp på engangsfullmakten enn det som på belastningstidspunktet er disponibelt på konto. Betalers bank vil normalt gjennomføre dekningskontroll før belastning. Belastning ut over disponibelt beløp skal betaler dekke inn umiddelbart.
f) Betalers konto vil bli belastet på angitt belastningsdag. Dersom belastningsdag ikke er angitt i engangsfullmakten vil kontobelastning skje snarest mulig etter at betalingsmottaker har levert oppdraget til sin bank. Belastningen vil likevel ikke skje etter engangsfullmaktens gyldighetsperiode som er angitt foran. Betaling vil normalt være godskrevet betalingsmottaker en til tre virkedager etter angitt belastningsdag/innleveringsdag.
g) Dersom betalers konto blir urettmessig belastet på grunnlag av en engangsfullmakt, vil betalers rett til tilbakeføring av belastet beløp bli regulert av kontoavtalen og finansavtaleloven.

Forsinket og manglende betaling: Forsinket betaling belastes med gjeldende forsinkelsesrente i henhold til forsinkelsesrenteloven av 17. desember 1976 nr. 100, for tiden 9,25 % p.a. Dersom en Bestiller ikke oppfyller betalingsvilkårene, eller dersom betaling ikke skjer ved forfall, vil Bestilleren fortsette å hefte for betalingen for Tilbudsaksjene tildelt vedkommende og Tilbudsaksjene vil ikke bli levert til Bestilleren. I så tilfelle forbeholder Selskapet og Oppgjørsagenten seg retten til, når som helst og for Bestillers regning og risiko, å reallokere, kansellere eller redusere Bestillingen og tildelingen av de tildelte Tilbudsaksjene, eller, dersom betaling ikke er mottatt den tredje dagen etter Betalingsdatoen, uten videre underretning, å selge, selv overta eller på annen måte disponere over Tilbudsaksjene i henhold til gjeldende lov. Dersom Tilbudsaksjer selges på vegne av Bestiller, vil slikt salg være for Bestillers regning og risiko, og tegneren vil være ansvarlig for ethvert tap, samt kostnader, gebyrer og utgifter, gjennomgått eller pådratt av Selskapet og/eller Oppgjørsagenten som følge av eller i tilknytning til slikt salg. Selskapet og/eller Oppgjørsagenten kan inndrive betaling for alle utestående beløp i henhold til gjeldende lovgivning.

APPENDIX VIII

INDEPENDENT STATEMENT REGARDING THE EXCHANGE OFFER BY ADVOKATFIRMAET CLP DA

CLP

Advokatfirmaet CLP DA
Akersgata 2

PO Box 1974 Vika
NO-0125 Oslo

Tel: +47 22 87 71 00
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Vat.no. 991341129
www.clp.no

The board of directors of Eitzen Chemicals ASA

Attorney in charge:	Our reference:	Date:
Edvard Cock	29464-001	29 January 2015

Independent statement regarding voluntary share exchange offer made by Team Tankers International Ltd to acquire all issued and outstanding shares in Eitzen Chemical ASA

On 22 December 2014, Eitzen Chemical ASA ("**Eitzen Chemical**" or the "**Company**") entered into a plan support agreement (the "**PSA**") regarding financial restructuring of its debt. On 14 January 2015 Eitzen Chemical adopted resolutions to inter alia i) decrease the Company's share capital by a write down of the outstanding shares par value and retirement of the Company's own shares, and ii) direct a share issue at certain of its senior lenders and bondholders whereby such senior lenders and bondholders will convert approximately USD 773 million of debt into equity in Eitzen Chemical (the "**Debt Conversion**"). Following completion of the Debt Conversion the shareholders who held shares in the Company prior to the Debt Conversion will own approx. 2% of the outstanding shares in the Company.

Under the PSA, Eitzen Chemical and its 100% owned subsidiary Team Tankers International Ltd ("**Team Tankers**" or the "**Offeror**") have undertaken an obligation towards shareholders holding approx. 98% of the Company's shares to use reasonable endeavors to facilitate a re-domiciliation to Bermuda to establish a corporate structure which reflects Eitzen Chemical's new ownership following the Debt Conversion (the "**Relocation**"). The Relocation is not a condition for the completion of the Debt Conversion, but Eitzen Chemical and Team Tankers fulfill their obligation through a voluntary offer by Team Tankers to purchase all the issued and outstanding shares of Eitzen Chemical in exchange for shares in Team Tankers (the "**Offer**"). Team Tankers was incorporated by Eitzen Chemical for the sole purpose of making the Offer. The offered exchange ratio is one Team Tankers share for three Eitzen Chemical shares. Following the completion of the Offer, Team Tankers will be the new ultimate holding company owning all the shares in Eitzen Chemical.

To document the terms, conditions and limitations of its Offer, Team Tankers has prepared a combined offer document and prospectus dated 29 January 2015 (the "**Offer Document**"). According to the Norwegian Securities Trading Act Section 6-16 (i) c.f. 6-19 (i), the Board of Directors of Eitzen Chemical shall issue a statement regarding the Offer. The Board of Directors of Eitzen Chemical has issued a statement which is included in the Offer Document, but since Team Tankers is a 100% owned subsidiary by Eitzen Chemical and the Offer is made in agreement with the Company, Advokatfirmaet CLP DA has been engaged by Eitzen Chemical to issue the independent statement regarding the Offer of behalf of the Company in accordance with Norwegian Securities Trading Act Section 6-16 (i) c.f. 6-19 (i).

We have not acted as a legal advisor to Eitzen Chemical or Team Tankers in connection with the Offer and we have previously not acted as legal advisor on behalf of or against Eitzen Chemical in connection with other matters.

We have for the purposes of this statement not conducted any independent verification of the information in the Offer Document and have for the purposes of this statement assumed that all information in the Offer Document is correct, complete in all material aspects, and not misleading.

We have noted the following:

- We have not considered whether the Offer can be considered reasonable from a financial point of view, but we note that the Offeror is an entity newly incorporated by the Company for the sole purpose of launching the Offer and following the completion of the Offer will be serving as the parent company of Eitzen Chemical. Prior to completion of the Offer, the Offeror has (indirectly through four 100% owned subsidiaries) acquired owned vessels from the ship owning subsidiaries of Eitzen Chemical in Singapore and Norway as part of the restructuring (**"Restructuring"**) that will take place in connection with the completion of the Debt Conversion, c.f. the Offer Document Section "Restructuring". Other than this part of the Restructuring, the Offeror has not otherwise been engaged in any business prior to the completion of the Offer and does not have other significant assets or liabilities. The business, assets and liabilities of the Offeror following a completion of the Offer will therefore be substantially the same as the business, assets and liabilities of Eitzen Chemical prior to the completion of the Offer with minor adjustments as set out below. The Offeror's total indebtedness may increase as a consequence of any mandatory offer and/or compulsory acquisition following completion of the Offer as such mandatory offer and/or compulsory acquisition must be made with consideration in cash (or include a cash alternative), c.f. the Offer Document and in particular the Sections "Capitalization and Indebtedness", "Selected Consolidated Financial Information of Eitzen Chemical" and "Operating and Financial Review". Furthermore, the Offeror will receive a cash amount as a result of the Offering necessary to comply with the listing requirements relating to number of shareholders, c.f. below;

- To be approved for Listing on Oslo Stock Exchange, Team Tankers must inter alia have in excess of 500 shareholders, each holding shares with a value of more than NOK 10,000. This requirement is currently not fulfilled and to meet this requirement Team Tankers contemplates to complete a cash offer of new shares divided into two tranches (the " **Offering**"). The Offering will comprise of a retail offering with gross proceeds of up to NOK 3 million, in which Team Tankers shares are being offered to the public in Norway, with each investor in the retail offering receiving a discount of NOK 1,500, and an employee offering, in which Team Tankers shares are being offered to the Eitzen Chemical group's management companies which will deliver such shares to its employees as bonus in accordance with internal instructions. The Offering will affect the proportionate ownership interests in Team Tankers compared to the current interests in Eitzen Chemical and thus the relative voting strength of the Team Tankers shares. We have been informed that the Board of Directors of Eitzen Chemical believes that the Offering is in the best interest of the shareholders as a whole as it is a prerequisite for the listing of the Team Tankers shares on Oslo Stock Exchange. Furthermore, we are informed that the Board of Directors of Eitzen Chemical generally considers employee ownership as beneficial;

- It is contemplated that Oslo Stock Exchange will make a decision regarding the application for admission to listing on the Oslo Stock Exchange or alternatively on Oslo Axess of Team Tankers in its board meeting on 25 February 2015. If the listing application is approved the shares of Team Tankers will be VPS registered and the Team Tankers' shareholder register will be administrated by Nordea. The shares of Team Tankers have a par value in USD, but will be quoted and traded in NOK on the Oslo Stock Exchange or alternatively Oslo Axess. Assuming that the conditions for the listing are fulfilled and the Offer completed, it must be assumed that shareholders of Team Tankers immediately following completion of the Offer, will have substantially the same opportunity to trade their shares in the market as shareholders in Eitzen Chemical have today;

- Provided that the conditions for the listing of Team Tankers are fulfilled and the Offer completed, Team Tankers may proceed with a mandatory offer and/or a subsequent compulsory acquisition of any remaining shares in Eitzen Chemical not tendered in the Offer. If Team Tankers proceeds with a mandatory offer, the Offer price in the mandatory offer must be equal to, or higher than, the highest price paid, or agreed to be paid by Team Tankers for Eitzen Chemical shares during the six month period prior to the date on which the obligation to make a mandatory offer is triggered. We have been informed that Team Tankers has not acquired any Eitzen Chemical shares as per the date of the Offer Document and in the absence of any other firm basis for the offer price, the offer price may be based on the volume weighted average trading price for the Eitzen Chemical Shares for a representative reference period prior to the conditions of the Exchange Offer have been met or waived or on other relevant factors required pursuant to applicable law;

- The Offer is conditional upon, inter alia, that number of Eitzen Chemical shares that are validly tendered to Team Tankers in respect of the Offer represents more than 99.5 per cent of the issued share capital and votes in Eitzen Chemical. Assuming acceptance of more than 99.5 per cent, but less than 100% of the issued share capital and votes in Eitzen Chemical, a mandatory offer and/or a compulsory acquisition of any remaining shares in Eitzen Chemical not tendered in the Offer will also affect the proportionate ownership interests in Team Tankers compared to the current interests in Eitzen Chemical and thus the relative voting strength of the Team Tankers shares. Moreover, a compulsory acquisition may result in lower percentage of free float in the shares of Team Tankers, as the ownership percentage of the shareholders accepting the Offer might increase;

- Shareholders who accept the Offer will receive consideration shares in Team Tankers. Team Tankers is a Bermuda company and subject to Bermuda laws and regulations, certain aspects of which may be different from Norwegian laws and regulations under which Eitzen Chemical currently operates. However, for as long as Team Tankers is listed on the Oslo Stock Exchange it will remain subject to certain sections of the Norwegian Securities Trading Act, the Stock Exchange Regulations, the rules and policies of the Oslo Stock Exchange and the recommendations of the Norwegian Code on Corporate Governance. For a description of shareholder rights in Team Tankers reference is made to the Offer Document and in particular the Section headed "The memorandum of association, Bye-laws and Bermuda law and Corporate Governance";

- The Bye-Laws of Team Tankers contain a provision providing a staggering board which may be deemed to have ant-takeover effects as such provision may delay, defer or prevent takeover attempts that shareholders may consider in the best interest of shareholders.

Furthermore, the Bye-Laws of Team Tankers restrict shareholders from bringing legal action against its officers and directors of Team Tankers and the principal venue (and in some cases "exclusive venue") for any action from shareholders against Team Tankers or its directors or officers will be the Courts of Bermuda. We note, however, that a resolution to discharge the Board of Directors of liability also was adopted in the extraordinary general meeting of Eitzen Chemical held on 14 January 2015;

- We have been informed that Team Tankers currently has no plans related to the implementation of the Offer that will have legal, economic or work-related consequences for the employees of Team Tankers;

- Accepting the Offer may trigger tax liabilities for certain shareholders, including Norwegian individual shareholders. We refer in this respect to the description given in the Section headed "Taxation-Norwegian Taxation" of the Offer Document. As the Offer is an exchange offer where no cash consideration is offered, shareholders will not receive any cash in the Offer which can be applied to cover such tax liability. Such shareholders will therefore have to finance any tax payment from other sources. Norwegian corporate shareholders will also be subject to a higher level of taxation on their shares in Team Tankers than in their previous shares in Eitzen Chemical, as capital gains and dividends related to their shares in Team Tankers will not be covered by the Norwegian exemption method, and therefore will be subject to Norwegian tax at a general rate of (currently) 27 %. Each shareholder is encouraged to carefully consider the tax consequences associated with accepting the Offer;

- We have been informed that the Board of Directors of Eitzen Chemical is of the opinion that the relocation of Eitzen Chemical establishes a corporate structure which better enables global growth for Eitzen Chemical group in the coming years as Bermuda is expected to afford more favourable, stable and predictable legislative and regulatory conditions over time compared to the Norway. The Board of Directors has further concluded that the Offer is in the long term interest of Eitzen Chemical and its shareholders as a whole. We have further been informed that the Board of Directors of Eitzen Chemical believes that the Offer provides a transparent way to relocate the holding company to Bermuda and that approx. 98.5% of the shareholders have pre-approved the Offer. We have not conducted an independent verification of the Bermuda regulatory regime (including tax) which will apply to Team Tankers following the transfer, but refer the shareholders to the descriptions given in the Offer Document, in particular the Section headed "Bermuda Taxation" thereof;

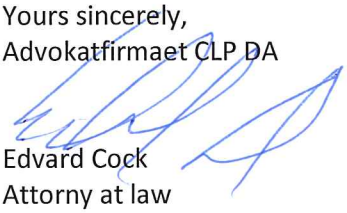
- Although the directors of Eitzen Chemical cannot be considered fully independent in relation to Section 6-16 of the Securities Trading Act as the Chairman also is the sole director of Team Tankers, the Board of Directors are nevertheless well placed to evaluate the consequences of the Offer for the Company and its shareholders.

We are not financial advisors and have not evaluated whether the Offer can be considered reasonable from a financial and commercial perspective. Therefore, we are not in a position to recommend to the shareholders whether they should or should not accept the Offer. We have, however, above set out certain elements of importance the shareholders should take into account when considering accepting the Offer.

The Offer has been made known to the Eitzen Chemical employees. The employees of Eitzen Chemicals have not made any separate statement regarding the Offer, but any separate statement made by the employees during the acceptance period for the Offer will be disclosed separately.

We recommend the shareholders to study carefully the information given in the Offer Document, in particular (without limitation) the Sections titled "Risk Factors" and "Taxation", and to draw their own conclusions from it. We further recommend the shareholders of Eitzen Chemical to seek advice from professional advisors (including tax and financial advisors) with respect to the tax consequences and other consequences of accepting the Offer.

Yours sincerely,
Advokatfirmaet CLP DA



Edvard Cock
Attorny at law

APPENDIX IX

STATEMENT REGARDING THE EXCHANGE OFFER BY THE BOARD OF DIRECTORS OF EITZEN CHEMICAL ASA

STATEMENT FROM THE BOARD OF DIRECTORS OF EITZEN CHEMICAL ASA

CONCERNING

THE EXCHANGE OFFER SUBMITTED ON 29 JANUARY 2015

BY

TEAM TANKERS INTERNATIONAL LTD.,

A COMPANY 100% OWNED BY EITZEN CHEMICAL ASA

This statement is made by the Board of Directors (the "Board") of Eitzen Chemical ASA ("Eitzen Chemical") in connection with the exchange offer by Team Tankers International Ltd. ("Team Tankers" or the "Offeror"), a company which at the date of this statement is 100% owned and fully controlled by Eitzen Chemical, to acquire all outstanding shares in Eitzen Chemical against issuance of shares in Team Tankers, announced 29 January 2015 (the "Exchange Offer"). Further details of the Exchange Offer are described in the combined prospectus and offer document dated 29 January 2015 (the "Offer Document").

The Offeror was incorporated by Eitzen Chemical for the sole purpose of making the Exchange Offer as part of the plan to relocate Eitzen Chemical to Bermuda. Accordingly, the Exchange Offer has been made in agreement with Eitzen Chemical. This statement is not the formal company statement required by section 6-16 (1) c.f. 6-19 (1) of the Norwegian Securities Trading Act (the "STA"). Eitzen Chemical has engaged Advokatfirmaet CLP DA to issue an independent statement regarding the Exchange Offer on behalf of Eitzen Chemical.

On 23 December 2014, Eitzen Chemical announced that the company had entered into a plan support agreement (the "PSA") with the majority of both its banks and bondholders and its largest shareholder. The PSA would result in Eitzen Chemical converting approximately USD 773 million of bank and bond debt on the company's balance sheet, and repaying approximately USD 46 million, and exchanging a claim of USD 83 million under one of the bank facilities for a sale-leaseback agreement involving three vessels. Eitzen Chemical further announced that it was contemplating relocation to Bermuda. On 27 January 2015, the Company announced that the restructuring had been completed.

As stated in the Offer Document the purpose of the contemplated relocation is to establish a corporate structure which reflects Eitzen Chemical's new ownership after the debt conversion is completed. The shipping industry is a global, highly competitive industry. Thus, it is critical that the group operates under favourable, stable and predictable legislative and regulatory conditions. The Exchange Offer is made in the long-term interest of the group and its shareholders, as a simple and transparent way to relocate the holding company of the group.

Following completion of the Exchange Offer, the Offeror will as the new holding company continue the business operated by the Eitzen Chemical group. Team Tankers will be a leading marine chemical transportation group with a total sailing fleet of forty-five vessels, transporting a wide variety of

cargoes such as organic chemicals, non-organic chemicals, clean and dirty petroleum products, vegetable oils and lube oils.

The Board has concluded that the Exchange Offer is in the best interest of Eitzen Chemical and its shareholders and unanimously recommends the shareholders of Eitzen Chemical to accept the Exchange Offer.

The obligation of Team Tankers to complete the Exchange Offer is subject to the satisfaction of the following conditions:

1. The number of Eitzen Chemical shares that are validly tendered to Team Tankers in respect of the Exchange Offer represents more than 99.5 per cent of the issued share capital and votes in Eitzen Chemical;
2. The Board of Directors of Oslo Stock Exchange approves the Company for listing on Oslo Stock Exchange or, alternatively, Oslo Axess and all conditions for listing on Oslo Stock Exchange or, alternatively, Oslo Axess, will be satisfied upon completion of the Exchange Offer;
3. All permits, consents and approvals required from applicable regulatory and governmental authorities for the completion of the Exchange Offer shall have been obtained or any applicable waiting periods have expired or lapsed, in each case upon conditions satisfactory to the Company in its sole discretion; and
4. Eitzen Chemical shall have received necessary consents and/or waivers from third parties in order to effect the Exchange Offer without any adverse effect for Eitzen Chemical or its subsidiaries, in each case without conditions or upon conditions satisfactory to Team Tankers Ltd. in its sole discretion.

Team Tankers has reserved the right to waive in whole or in part the conditions listed in number 1, 3 and 4.

As further described in the Offer Document, Team Tankers has received irrevocable and unconditional pre-acceptances to the Exchange Offer from the lenders participating in the debt conversion, securing an acceptance rate of at least 98%. In addition, Jason Shipping AS has pre-accepted the Exchange Offer for its 3,835,119 Eitzen Chemical shares. Thus, the Offeror has received pre-acceptances for the Exchange Offer for a total of 556,071,195 shares, representing approximately 98.7% of the outstanding Eitzen Chemical shares and votes. The pre-acceptances will no longer be valid if the Exchange Offer is not consummated by 15 March 2015.

Eitzen Chemical shareholders will receive 1 share in Team Tankers for every three Eitzen Chemical share tendered in the Exchange Offer (the "Offered Consideration"). The closing price of NOK 4.89 per Eitzen Chemical share on Oslo Stock Exchange on 27 January 2015 values the total of all the outstanding Eitzen Chemical shares at NOK 2,756 million as of such date.

In addition to the Exchange Offer, Team Tankers is conducting the Cash Offer of up to NOK 3 million for the purpose of fulfilling the share spread requirements for listing on Oslo Børs as further described in the Offer Document.

The acceptance period for the Exchange Offer is from and including 30 January 2015 to 27 February 2015 at 16.30 CET, unless extended in accordance with the terms of the Offer Document. According to the Offer Document, settlement will take place within 10 business days following the Exchange

Offer becoming unconditional in all respects. Further detailed information about the Exchange Offer is included in the Offer Document.

As a company incorporated under the laws of Bermuda, Team Tankers is subject to laws and regulations, certain aspects of which are different from Norwegian laws and regulations, under which Eitzen Chemical currently operates. Further information about the tax consequences for Norwegian resident shareholders with respect to acceptance of the Exchange Offer, and holding of shares in Team Tankers, is described in the Offer Document, provided, however, that each shareholder is urged to make its own assessment, and consult its own professional advisers, regarding such consequences.

The Board has noted that it is stated in the Offer Document that it is not expected that the implementation of the Exchange Offer will have any significant legal, economic or work-related consequences for the employees of Eitzen Chemical.

In reaching its conclusion to recommend the Offer, the Board has considered the positive effects of the Exchange Offer as described above for all the stakeholders in Eitzen Chemical.

As provided for in the STA, if Team Tankers becomes the owner of Eitzen Chemical shares representing more than 90 % of the total number of shares issued by Eitzen Chemical, Team Tankers will have the right to commence a compulsory acquisition for cash of the Eitzen Chemical shares not already owned by Team Tankers. The Board notes that the Offer Document provides that Team Tankers will consider such compulsory acquisition upon completion of the Exchange Offer. Further, if Team Tankers no longer considers the listing of the Eitzen Chemical shares on Oslo Børs appropriate, Team Tankers may propose to the general meeting of Eitzen Chemical that Eitzen Chemical shall apply for delisting of its shares from Oslo Børs. The Board notes that the Offer Document provides that Team Tankers will consider to propose to the general meeting of Eitzen Chemical that an application be made to Oslo Børs to delist the Eitzen Chemical shares from Oslo Børs in the event the Exchange Offer is completed.

The Exchange Offer has been made known to the Eitzen Chemical employees. The employees of Eitzen Chemical have not made any separate statement regarding the Exchange Offer, but any separate statement made by the employees during the acceptance period for the Exchange Offer will be disclosed separately.

Based on an overall evaluation of relevant factors, taking into account the offered consideration and offer terms, the Board views the Exchange Offer to be in the best interests of Eitzen Chemical and its shareholders and thus unanimously recommends the shareholders of Eitzen Chemical to accept the Exchange Offer.

Oslo 29 January 2015

The Board of Directors of Eitzen Chemical ASA

APPENDIX X

BYE-LAWS OF TEAM TANKERS

INTERNATIONAL LTD.

BYE-LAWS

OF

Team Tankers International Ltd.

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INTERPRETATION

1. Definitions

1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Act	the Companies Act 1981 as amended from time to time;
Auditor	includes an individual, company or partnership;
Board	the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
Chairman	the Chairman of the Board appointed in accordance with Bye-law 46;
Company	the company for which these Bye-laws are approved and confirmed;
Director	a director of the Company;
Effective Date	the date of the 2016 annual general meeting of Members;
Initial Board	the Directors classified as Class I Directors and Class II Directors serving on the Board for their respective terms commencing prior

	to the listing and admission to trading of the Company's shares on the Oslo Stock Exchange.
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires;
notice	written notice as further provided in these Bye-laws unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Register of Directors and Officers	the register of directors and officers referred to in these Bye-laws;
Register of Members	the register of members referred to in these Bye-laws;
Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary

	and any person appointed by the Board to perform any of the duties of the Secretary;
Treasury Shares	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled; and
VPS	the Norwegian Central Securities Depository maintained by Verdipapirsentralen ASA.

1.2 In these Bye-laws, where not inconsistent with the context:

(a) words denoting the plural number include the singular number and vice versa;

(b) words denoting the masculine gender include the feminine and neuter genders;

(c) words importing persons include companies, associations or bodies of persons whether corporate or not;

(d) the words:

(i) "may" shall be construed as permissive; and

(ii) "shall" shall be construed as imperative;

(e) a reference to statutory provision shall be deemed to include any amendment or re-enactment thereof;

(f) the word "corporation" means a corporation whether or not a company within the meaning of the Act; and

(g) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws.

1.3 In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

2.1 Subject to these Bye-laws and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine and any shares or class of shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by resolution of the Members prescribe.

2.2 Subject to the Act, any preference shares may be issued or converted into shares that (at a determinable date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board (before the issue or conversion).

3. Power of the Company to Purchase its Shares

3.1 The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Act on such terms as the Board shall think fit.

3.2 The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act.

4. Rights Attaching to Shares

4.1 Subject to any resolution of the Members to the contrary (and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares), the share capital shall be divided into shares of a single class the holders of which shall, subject to these Bye-laws:

(a) be entitled to one vote per share;

(b) be entitled to such dividends as the Board may from time to time declare;

(c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and

(d) generally be entitled to enjoy all of the rights attaching to shares.

4.2 All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act and any other applicable laws and regulations, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company

5. Calls on Shares

5.1 The Board may make such calls as it thinks fit upon the Members in respect of any monies (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members (and not made payable at fixed times by the terms and conditions of issue) and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

5.2 Any amount which by the terms of allotment of a share becomes payable upon issue or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Bye-laws be deemed to be an amount on which a call has been duly made and payable, on the date on which, by the terms of issue, the same becomes payable, and in the case of non-payment all the relevant provisions of these Bye-laws as to payment of interest, costs, and expenses, forfeiture or otherwise shall apply as if such amount has become payable by virtue of a duly made and notified call.

5.3 The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

5.4 The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

6. Forfeiture of Shares

6.1 If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

Notice of Liability to Forfeiture for Non-Payment of Call
Team Tankers International Ltd. (the "Company")

You have failed to pay the call of [amount of call] made on [***date***], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on [***date***], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [ ] per annum computed from the said [***date***] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [***date***]

_____

_____

[Signature of Secretary] By Order of the Board

6.2 If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine. Without limiting the generality of the foregoing, the disposal

may take place by sale, repurchase, redemption or any other method of disposal permitted by and consistent with these Bye-laws and the Act.

6.3 A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith.

6.4 The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

7. Share Certificates

7.1 Subject to the Act, no share certificates shall be issued by the Company unless, in respect of a class of shares and only with respect to shares not registered in the VPS system, the Board has either for all or for some holders of such shares (who may be determined in such manner as the Board thinks fit) determined that the holder of such shares may be entitled to share certificates. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all.

7.2 Subject to being entitled to a share certificate under the provisions of Bye-law 7.1, the Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.

7.3 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

7.4 Notwithstanding any provisions of these Bye-laws:

(a) the Board shall, subject always to the Act and any other applicable laws and regulations and the facilities and requirements of any relevant system concerned, have power to implement any arrangements it may, in its absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares by means of the VPS system or any other relevant system, and to the extent such arrangements are so implemented, no provision of these Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of shares in uncertificated form; and

(b) unless otherwise determined by the Board and as permitted by the Act and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

8. [deliberately omitted]

REGISTRATION OF SHARES

9. Register of Members

9.1 The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Act. Subject to the provisions of the Act, the Board may resolve that the Company may keep one or more branch registers in any place in or outside of Bermuda, and the Board may make, amend and revoke any such regulations as it may think fit respecting the keeping of such branch registers. The Board may authorise any share on the Register of Members to be included in a branch register or any share registered on a branch register to be registered on another branch register, provided that at all times the Register of Members is maintained in accordance with the Act.

9.2 The Register of Members shall be open to inspection without charge at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Act, be closed for any time or times not exceeding in the whole thirty days in each year.

10. Registered Holder Absolute Owner

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

11. Transfer of Registered Shares

11.1 Subject to the Act and to such of the restrictions contained in these Bye-laws as may be applicable, any Member may transfer all or any of his shares by an instrument of transfer in the usual common form or in any other form which the Board may approve. No such instrument shall be required on the redemption of a share or on the purchase by the Company of a share. Where applicable, all transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of the VPS system or any other relevant system concerned and, subject thereto, in accordance with any arrangements made by the Board pursuant to Bye-law 7.

11.2 The instrument of transfer shall be signed by (or on behalf of) the transferor and transferee, provided that, in the case of a fully paid share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Members.

11.3 The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares (if one has been issued) to which it relates and by such other evidence as the Board may reasonably require to prove the right of the transferor to make the transfer.

11.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.

11.5 The Board may in its absolute discretion and without assigning any reason therefore refuse to register the transfer of a share which is not fully paid. The Board shall refuse to register a transfer unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

11.6 Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Act.

11.7 Notwithstanding anything to the contrary in these Bye-laws, shares that are listed or admitted to trading on an appointed stock exchange may be transferred in accordance with the rules and regulations of such exchange.

12. Transmission of Registered Shares

12.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint

holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.

12.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member
Team Tankers International Ltd. (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [***date***]

Signed by: In the presence of:

_____ _____
Transferor Witness

Signed by: In the presence of:

_____ _____
Transferee Witness

12.3 On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.

12.4 Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ALTERATION OF SHARE CAPITAL

13. Power to Alter Capital

13.1 The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act.

13.2 Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

14. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of two-thirds of the issued shares of that class or with the sanction of a resolution passed by the affirmative vote of not less than two-thirds of the shares and votes

cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

DIVIDENDS AND CAPITALISATION

15. Dividends

15.1 The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.

15.2 The Board may fix any date as the record date for determining the Members entitled to receive any dividend.

15.3 The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

15.4 The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

16. Power to Set Aside Profits

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

17. Method of Payment

17.1 Any dividend, interest, or other moneys payable in cash in respect of the shares may be paid through the VPS system or any other relevant system, by cheque or draft sent through the post directed to the Member at such Member's address in the Register of Members, or to such person and to such address as the holder may in writing direct.

17.2 In the case of joint holders of shares, any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Members, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

17.3 The Board may deduct from the dividends or distributions payable to any Member all moneys due from such Member to the Company on account of calls or otherwise.

17.4 Any dividend and or other monies payable in respect of a share which has remained unclaimed for 6 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.

17.5 The Company shall be entitled to cease sending dividend cheques and warrants by post or otherwise to a Member if those instruments have been returned undelivered to, or left uncashed by, that Member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the Member's new address. The entitlement conferred on the Company by this Bye-law

17.5 in respect of any Member shall cease if the Member claims a dividend or cashes a dividend cheque or warrant.

18. Capitalisation

18.1 The Board may resolve to capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro-rata (except in connection with the conversion of shares of one class to shares of another class) to the Members.

18.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full partly or nil paid shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

MEETINGS OF MEMBERS

19. Annual General Meetings

Notwithstanding the provisions of the Act entitling the Members of the Company to elect to dispense with the holding of an annual general meeting, an annual general meeting shall be held in each year (other than the year of incorporation) at such time and place as the Chairman or the Board shall appoint.

20. Special General Meetings

The Chairman or the Board may convene a special general meeting of the Company whenever in their judgment such a meeting is necessary.

21. Requisitioned General Meetings

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings of the Company, forthwith proceed to convene a special general meeting of the Company and the provisions of the Act shall apply.

22. Notice

22.1 At least 14 days notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

22.2 At least 14 days notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.

22.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.

22.4 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

22.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

22.6 Notwithstanding any other provisions in these Bye-laws, no Member shall be entitled to attend any general meeting unless notice in writing of the intention to attend and vote in person or by proxy signed by or on behalf of the Member (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) addressed to the Secretary is deposited (by post, courier, facsimile transmission or other electronic means) at the registered office of the Company or at such other place or in such manner as is specified in the notice convening the meeting at least 48 hours before the time appointed for holding the general meeting or the adjournment thereof.

23. Giving Notice and Access

23.1 A notice may be given by the Company to a Member:

(a) by delivering it to such Member in person, in which case the notice shall be deemed to have been served upon such delivery; or

(b) by sending it by post to such Member's address in the Register of Members, in which case the notice shall be deemed to have been served five days after the date on which it is deposited, with postage prepaid, in the mail; or

(c) by sending it by courier to such Member's address in the Register of members, in which case the notice shall be deemed to have been served two days after the date on which it is deposited, with courier fees paid, with the courier service; or

(d) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given

by such Member to the Company for such purpose, in which case the notice shall be deemed to have been served at the time that it would in the ordinary course be transmitted; or

(e) by delivering it in accordance with the provisions of the Act pertaining to delivery of electronic records by publication on a website, in which case the notice shall be deemed to have been served at the time when the requirements of the Act in that regard have been met.

23.2 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

23.3 In proving service under Bye-laws 23.1(b), (c) and (d), it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted or sent by courier, and the time when it was posted, deposited with the courier, or transmitted by electronic means.

24. Postponement of General Meeting

The Secretary may postpone any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement is given to the Members before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with these Bye-laws.

25. Attendance and Security at General Meetings

25.1 Members may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

25.2 The Board may, and at any general meeting, the chairman of such meeting may make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the chairman of such meeting are entitled to refuse entry to a person who refuses to comply with any such arrangements, requirements or restrictions.

26. Quorum at General Meetings

26.1 At any general meeting one or more persons present in person throughout the meeting and representing in person or by proxy in excess of 50% of the total issued voting shares in the Company throughout the meeting shall form a quorum for the transaction of business.

26.2 If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

27. Chairman to Preside

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, shall act as chairman of the meeting at all general meetings at which such person is present. In the Chairman's absence a chairman of the meeting shall be appointed or elected by those present at the meeting and entitled to vote.

28. Voting on Resolutions

28.1 Subject to the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.

28.2 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any class of shares and subject to the provisions of these Bye-laws, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his or her hand.

28.3 In the event that a Member participates in a general meeting by telephone, electronic or other communication facilities or means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.

28.4 At any general meeting if an amendment shall be proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

28.5 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried

unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

29. Power to Demand a Vote on a Poll

29.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

(a) the chairman of such meeting; or

(b) at least three Members present in person or represented by proxy; or

(c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or

(d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right.

29.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communication facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of

a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

29.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

29.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communication facilities or means shall cast his vote in such manner as the chairman of the meeting shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted by a committee of not less than two Members or proxy holders appointed by the chairman of the meeting for the purpose and the result of the poll shall be declared by the chairman of the meeting.

30. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

31. Instrument of Proxy

31.1 A Member may appoint a proxy by (a) an instrument appointing a proxy in writing in substantially the following form or such other form as the Board may determine from time to time:

Proxy

Team Tankers International Ltd. (the "Company")

I/We, [insert names here], being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members to be held on [***date***] and at any adjournment thereof. (Any restrictions on voting to be inserted here).

Signed this [***date***]

_____

Member(s)

or (b) such telephonic, electronic or other means as may be approved by the Board from time to time.

31.2 The appointment of a proxy must be received by the Company at the registered office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the appointment proposes to vote, and an appointment of proxy which is not received in the manner so permitted shall be invalid.

31.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

31.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

32. Representation of Corporate Member

32.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting of the Members and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

32.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

33. Adjournment of General Meeting

The chairman of a general meeting may, with the consent of the Members at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

34. Written Resolutions

34.1 Subject to these Bye-laws, anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may be done, without a meeting by written resolution in accordance with these Bye-laws.

34.2 Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote

thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.

34.3 A written resolution is passed when it is signed by (or in the case of a Member that is a corporation, on behalf of) the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.

34.4 A resolution in writing may be signed in any number of counterparts.

34.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

34.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.

34.7 This Bye-law shall not apply to:

(a) a resolution passed to remove an auditor from office before the expiration of his term of office; or

(b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.

34.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by, (or in the case of a Member that is a corporation, on behalf of,) the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a

resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

35. Directors Attendance at General Meetings

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

36. Election of Directors

36.1 The Board shall consist of such number of Directors being not less than three Directors and not more than seven Directors as it may determine or such other minimum and maximum numbers as the Members may from time to time determine. Subject to Bye-law 37, the Board shall be elected or appointed at the annual general meeting of the Members or at any special general meeting of the Members called for that purpose.

36.2 Where the number of persons validly proposed for re-election or election as a Director is greater than the number of Directors to be elected, the persons receiving the most votes (up to the number of Directors to be elected) shall be elected as Directors, and an absolute majority of the votes cast shall not be a prerequisite to the election of such Directors.

36.3 Only persons who are proposed or nominated in accordance with this Bye-law shall be eligible for election as Directors. Any Member, the Board or the nomination committee may propose any person for re-election or election as a Director. Where any person, other than a Director retiring at the meeting or a person proposed for re-election or election as a Director by the Board or the nomination committee, is to be proposed for election as a Director, notice must be given to the Company of the intention to propose him and of his willingness to serve as a Director. Whether a

Director is to be elected at an annual general meeting or a special general meeting, that notice must be given not less than 14 days before the date of such general meeting.

36.4 The Company in general meeting may appoint a nomination committee (the "nomination committee"), comprising such number of persons as the Members may determine in general meeting from time to time, and members of the nomination committee shall be appointed by resolution of the Members. Members, the Board and members of the nomination committee may suggest candidates for the election of Directors and members of the nomination committee to the nomination committee provided such suggestions are in accordance with any nomination committee guidelines or corporate governance rules adopted by the Company in general meeting from time to time and Members, Directors and the nomination committee may also propose any person for election as a Director in accordance with Bye-laws 36.2 and 36.3. The nomination committee may or may not recommend any candidates suggested or proposed by any Member, the Board or any member of the nomination committee in accordance with any nomination committee guidelines or corporate governance rules adopted by the Company in general meeting from time to time. The nomination committee may provide recommendations on the suitability of candidates for the Board and the nomination committee, as well as the remuneration of the members of the Board and the nomination committee. The Members at any general meeting may stipulate guidelines for the duties of the nomination committee.

36.5 At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

37. Classes and Term of Office of Directors

37.1 From the date of the adoption of these Bye-laws until the Effective Date, the Initial Board shall be comprised of up to seven Directors and shall be divided into two

classes designated Class I and Class II. The Class I Directors shall consist of up to five Directors and the Class II Directors shall consist of up to two Directors. From the date of the adoption of these Bye-laws until the Effective Date, the Class I Directors and the Class II Directors shall together constitute the entire Initial Board. After the Effective Date, all Directors will be elected annually at the annual general meeting.

37.2 The Class I Directors shall serve for an initial term that expires at the 2015 annual general meeting of Members, upon the occurrence of which the Class I classification shall cease. At the 2015 annual general meeting, the Members shall elect the same number of unclassified directors to replace the Class I directors whose term will have expired.

37.3 The Class II directors shall serve for an initial term that expires at the 2016 annual general meeting of Members, upon the occurrence of which the Class II classification shall cease. At the 2016 annual general meeting, the Members shall elect the same number of unclassified directors to replace the Class II directors whose term will have expired.

37.4 Each Director shall hold office until such Director's successor shall have been duly elected and qualified or until such Director's office is vacated pursuant to Bye-law 40, and, and up until the Effective Date when the board is classified in accordance with Bye-law 37.1, for a term that shall coincide with the term of the class to which such Director shall have been elected.

38. [Deliberately Omitted]

39. Removal of Directors

39.1 Subject to any provision to the contrary in these Bye-laws, the Members entitled to vote for the election of Directors may, at any special general meeting convened and held in accordance with these Bye-laws, remove a Director, provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a

statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal, and further provided that the removal of any Director serving as a Class I Director or a Class II Director on the Initial Board prior to the expiry of his or her initial term shall require the affirmative vote of not less than 75% of the votes cast by those Members entitled to vote at the relevant general meeting.

39.2 If a Director is removed from the Board under this Bye-law the Members may fill the vacancy at the meeting at which such Director is removed. In the absence of an election or appointment by the Members, the Board may fill the vacancy.

40. Vacancy in the Office of Director

40.1 The office of Director shall be vacated if the Director:

(a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;

(b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;

(c) is or becomes of unsound mind or dies; or

(d) resigns his office by notice to the Company.

40.2 Subject to Bye-Law 40.3, the Members in general meeting or the Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board.

40.3 A vacancy of a Class I Director or a Class II Director under Bye-law 40.1(a), (b) or (d) during the relevant Class I Director's or Class II Director's initial term may be filled

by the outgoing Class I Director or Class II Director who may appoint his or her successor by notice in writing to the Secretary. A casual vacancy under Bye-law 40.1(c) may be filled by notice in writing to the Secretary by a majority of the remaining Class I Directors and Class II Directors.

41. Remuneration of Directors

The remuneration (if any) of the Directors shall be determined by the Company in general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them (or in the case of a director that is a corporation, by their representative or representatives) in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally.

42. Defect in Appointment

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

43. Directors to Manage Business

The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Act or by these Bye-laws, required to be exercised by the Company in general meeting.

44. Powers of the Board of Directors

The Board may:

(a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;

(b) exercise all the powers of the Company to borrow money and to mortgage or charge or otherwise grant a security interest in its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

(c) appoint one or more Directors to the office of managing director, and any person (who for the avoidance of doubt need not be a Director) to each of the offices of chief executive officer and chief financial officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;

(d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;

(e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-

delegate all or any of the powers, authorities and discretions so vested in the attorney;

(f) procure that the Company pays all expenses incurred in promoting and incorporating the Company and listing of the shares of the Company;

(g) delegate any of its powers (including the power to sub-delegate) to a committee of one or more persons appointed by the Board which (except for the audit committee which shall be comprised entirely of Directors) may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board, and provided further that the Company shall have an audit committee which may or may not be comprised of the entire Board;

(h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;

(i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;

(j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and

(k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

45. Register of Directors and Officers

The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

46. Appointment of Officers

The Chairman shall be appointed by the Members from amongst the Directors. The Board may appoint such other Officers (who may or may not be Directors) as the Board may determine for such terms as the Board deems fit.

47. Appointment of Secretary

The Secretary shall be appointed by the Board from time to time for such term as the Board deems fit.

48. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

49. Remuneration of Officers

The Officers shall receive such remuneration as the Board may determine.

50. Conflicts of Interest

50.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company on such terms, including with respect to remuneration, as may be agreed between the parties. Nothing herein contained shall authorise a Director or a Director's firm, partner or company to act as Auditor to the Company.

50.2 A Director who is directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of such interest as required by the Act.

50.3 Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

50.4 Notwithstanding Bye-law 50.3 and save as provided herein, a Director shall not vote, be counted in the quorum or act as chairman at a meeting in respect of (A) his appointment to hold any office or place of profit with the Company or any body corporate or other entity in which the Company owns an equity interest or (B) the approval of the terms of any such appointment or of any contract or arrangement in which he is materially interested (otherwise than by virtue of his interest in shares, debentures or other securities of the Company), provided that, a Director shall be entitled to vote (and be counted in the quorum and act as chairman) in respect of any resolution concerning any of the following matters, namely:

(a) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company; or

(b) any proposal concerning any other body corporate in which he is interested directly or indirectly, whether as an officer, Shareholder, creditor or otherwise, provided that he is not the holder of or beneficially interested (other than as a bare custodian or trustee in respect of shares in which he has no beneficial interest) in more than 1% of any class of the issued share capital of such body corporate (or of any third body corporate through which his interest is derived) or of the voting rights attached to all of the issued shares of the relevant body corporate (any such interest being deemed for the purpose of this Bye-law to be a material interest in all circumstances).

50.5 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote, and such question is not resolved by such Director voluntarily agreeing to abstain from voting and not be counted in the quorum of such meeting, such question shall be referred to the chairman of the meeting (except in the event the Director is also the chairman of the meeting, in which case the question shall be referred to the other Directors present at the meeting) and his (or their, as the case may be) ruling in relation to such Director shall be final and conclusive, except in a case where the nature or extent of the interest of the Director concerned has not been fully disclosed.

51. Indemnification and Exculpation of Directors and Officers

51.1 The Directors, Resident Representative, Secretary and other Officers (such term to include any person appointed to any committee by the Board and the Chairman) acting in relation to any of the affairs of the Company or any subsidiary thereof and the liquidator or trustees (if any) acting in relation to any of the affairs of the Company or any subsidiary thereof and every one of them (whether for the time being or formerly), and their heirs, executors and administrators (each of which an "indemnified party"), shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and no indemnified party shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices

or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to any of the indemnified parties. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty in relation to the Company which may attach to such Director or Officer.

51.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

51.3 The Company may advance moneys to a Director or Officer for the costs, charges and expenses incurred by the Director or Officer in defending any civil or criminal proceedings against him, on condition that the Director or Officer shall repay the advance if any allegation of fraud or dishonesty in relation to the Company is proved against him.

MEETINGS OF THE BOARD OF DIRECTORS

52. Board Meetings

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a Board meeting shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

53. Notice of Board Meetings

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

54. Electronic Participation in Meetings by Telephone

Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

55. Quorum at Board Meetings

The quorum necessary for the transaction of business at a Board meeting shall be a majority of the Directors then in office.

56. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at Board meetings, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

57. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending, the Chairman shall act

as chairman at all Board meetings at which such person is present. In their absence a chairman of the meeting shall be appointed or elected by the Directors present at the meeting.

58. Written Resolutions

A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a Board meeting duly called and constituted, such resolution to be effective on the date on which the resolution is signed by the last Director.

59. Validity of Prior Acts of the Board

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

60. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of Officers;

(b) of the names of the Directors present at each Board meeting and of any committee appointed by the Board; and

(c) of all resolutions and proceedings of general meetings of the Members, Board meetings, and meetings of managers and of committees appointed by the Board.

61. Place Where Corporate Records Kept

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the registered office of the Company.

62. Form and Use of Seal

62.1 The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

62.2 A seal may, but need not, be affixed to any deed, instrument or document, and if the seal is to be affixed thereto, it shall be attested by the signature of (i) any Director, or (ii) any Officer, or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.

62.3 A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

ACCOUNTS

63. Records of Account

63.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

(a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) all assets and liabilities of the Company.

63.2 Such records of account shall be kept at the registered office of the Company or subject to the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

63.3 Such records of account shall be retained for a minimum period of five years from the date on which they are prepared.

64. Financial Year End

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 30 November in each year.

AUDITS

65. Annual Audit

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

66. Appointment of Auditors

66.1 Subject to the Act, the Members shall appoint an auditor to the Company to hold office for such term as the Members deem fit or until a successor is appointed.

66.2 The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

67. Remuneration of Auditor

67.1 The remuneration of an Auditor appointed by the Members shall be fixed by the Company in general meeting or in such manner as the Members may determine.

67.2 The remuneration of an Auditor appointed by the Board to fill a casual vacancy in accordance with these Bye-laws shall be fixed by the Board provided that any such remuneration is subsequently approved by the Members.

68. Duties of Auditors

68.1 The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor

shall make a written report thereon in accordance with generally accepted auditing standards.

68.2 The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

69. Access to Records

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers for any information in their possession relating to the books or affairs of the Company.

70. Financial Statements and the Auditor's Report

70.1 Subject to the following Bye-law, financial statements and/or the auditor's report as required by the Act shall:

(a) be laid before the Members at the annual general meeting; or

(b) be received, accepted, adopted, approved or otherwise acknowledged by the Members by written resolution passed in accordance with these Bye-laws.

70.2 If all Members and Directors shall agree, either in writing or at a meeting, that in respect of a particular interval no financial statements and/or auditor's report thereon need be made available to the Members, and/or that no auditor shall be appointed then there shall be no obligation on the Company to do so.

71. Vacancy in the Office of Auditor

The Board may fill any casual vacancy in the office of the auditor.

VOLUNTARY WINDING-UP AND DISSOLUTION

72. Winding-Up

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

73. Changes to Bye-laws

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Act until the same has been approved by a resolution of the Board and by a resolution of the Members.

With respect to any amendments relating to the Bye-Laws 39.1, 40.2, 40.3, and this paragraph of 73 prior to the Company's annual general meeting in 2016, such Members' resolution shall require the affirmative vote of not less than 75% of the votes cast by those Members entitled to vote at the relevant general meeting.

74. Changes to the Memorandum of Association

No alteration or amendment to the Memorandum of Association may be made save in accordance with the Act and until same has been approved by a resolution of the Board and by a resolution of the Members.

75. Discontinuance

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act.