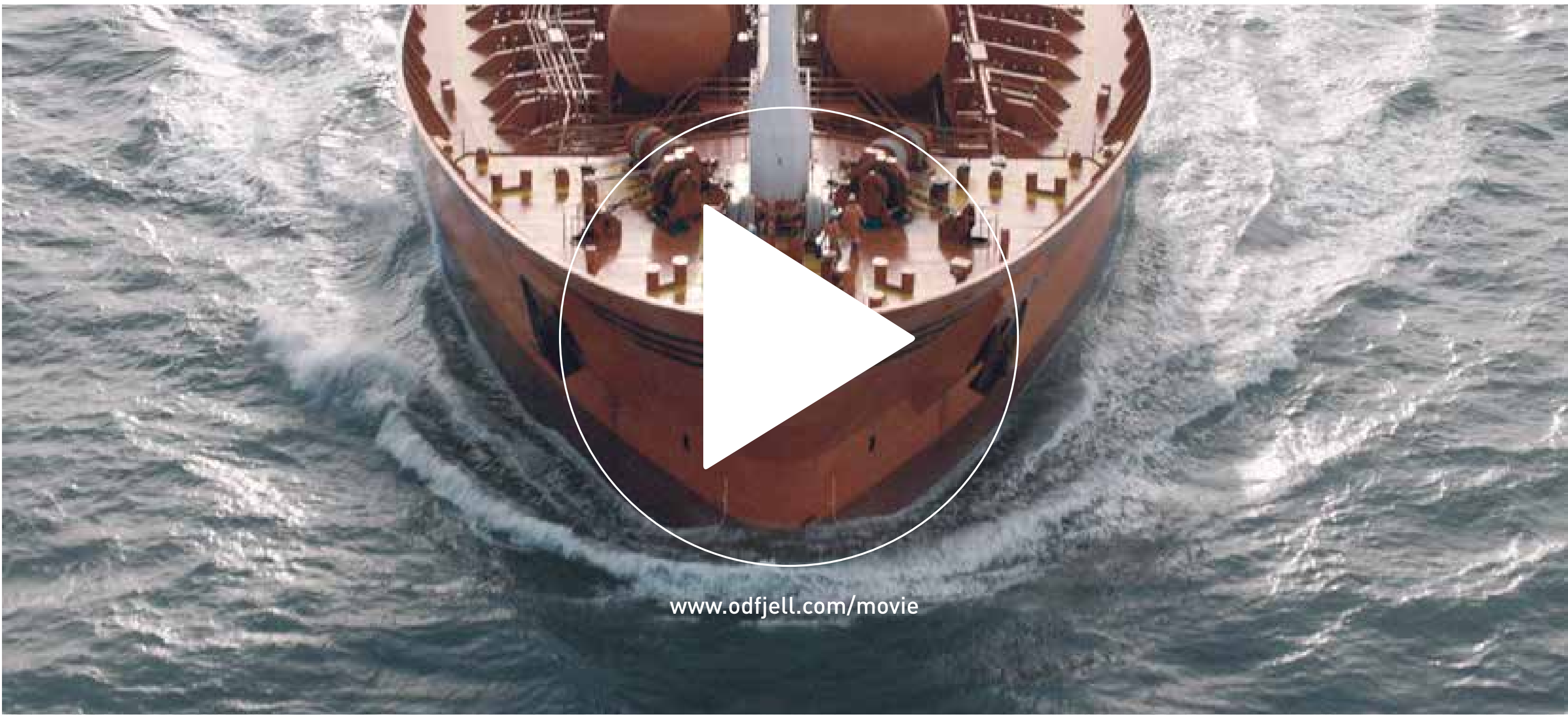
ODFJELL

100 years

1914 - 2014



ANNUAL REPORT 2013

CONTENTS

FINANCIAL CALENDAR 2014

1st quarter 2014 report	8 May 2014
2nd quarter 2014 report	21 August 2014
3rd quarter 2014 report	13 November 2014
4th quarter 2014 report	12 February 2015

The Annual General Meeting is planned for 7 May 2014.

Please note that the financial calendar is subject to change.
Changes will be reported to the Oslo Stock Exchange.

ODFJELL

100 years 1914 - 2014

MISSION STATEMENT

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

We shall be capable of combining different modes of transportation and storage.

We shall provide our customers with reliable and efficient services.

We shall conduct our business to high quality, safety and environmental standards.

www.odfjell.com/movie

OUR HISTORY

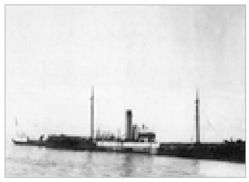
Through 100 years
We've unfolded our story
In every corner of the world
Shipping and storing
Anything liquid
Enabling modern day life

This is our Odfjell

OUR HISTORY

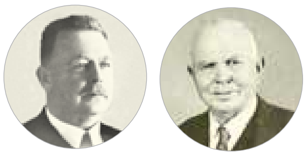
1890
Captain Berent Daniel Olsen moves to Bergen with his family to become part of modern shipping: steam and steel.

1900



1914
17 November:
The first joint Odfjell shipowning company is formally registered, AS DS Birk.

1915
The Odfjell brothers incorporate AS Rederiet Odfjell.

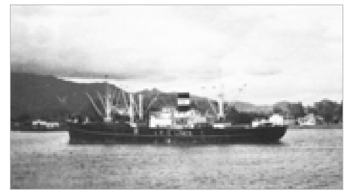


1921
Odfjell makes a brief entry into the tanker trade with the SS Vaarli, rebuilt as a tanker.

1938
Odfjell makes a small re-entry into the tanker trade with the newbuilding MT Lind.

1940

1940
WW 2: The Odfjell fleet is split, three ships in home waters, four on high seas. Home fleet suffers devastating losses.



1946
Bow is used for the first time as the name prefix on an Odfjell vessel.

1980

1980
Cooperation with Westfal-Larsen is strengthened through the establishment of OWL Tankers.

1983
Opening of the Baytank terminal in Houston.

1986
Storli is listed on Oslo Stock Exchange.

Late 1980s
Filipino crew starts being employed on our ships.

1990

1990
NCC of Saudi-Arabia replaces Westfal-Larsen as our main chemical tanker partner.

1992
Acquisition of minority share in the Vopak Terminal in Ningbo.

2003
Odfjell Academy training centre is established in Subic Bay, the Philippines.

2004
Fleet Asia is established with ship managment of some vessels out of Singapore.

2003-2007
The third Poland class: delivery of eight 40,000 dwt fully stainless steel chemical tankers.

2005

2005
Odfjell Terminals (Jiangjin) (China).

2007
Oiltanking Odfjell Terminals (Oman).

2007
Annual gross revenues exceed USD 1 billion for the first time.

2008
Odfjell Philippines Inc. is established.

1950
Most Odfjell ships are dry cargo liner vessels, but small specialised tankers become increasingly important.

1963
Dan Odfjell establishes Minde Chartering, Odfjell's own marketing organisation.

1973
Opening of the new Odfjell headquarters at Minde, Bergen.

1973
The business is split into two parts: AS Rederiet Odfjell for shipping, and Odfjell Drilling for offshore oil exploration.

1950

1960

1970

1960
Odfjell takes delivery of the world's first stainless steel tanker, MT Lind.

1969
Opening of the first Odfjell tank terminal, TAGSA in Buenos Aires.

1975
Delivery of the first of 12 Polish built chemical tankers.

1979
The Company is split into two independent parts, one for each branch of the family.

1994
Delivery of the first of 16 state-of-the-art stainless steel chemical tankers, the Kværner class.

1994
Establishment of Odfjell Terminals (Dalian).

1999
Venture into the iso-container business.

2000
The Botlek Tank Terminal in Rotterdam is acquired, renamed Odfjell Terminals (Rotterdam).

2000
Odfjell Tankers merges with Seachem, thus creating the premier deep-sea chemical tanker operator in terms of tonnage.

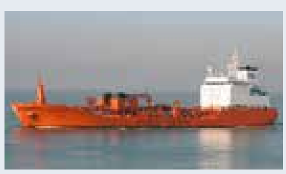
2002
Odfjell Terminals becomes partner in Odfjell Terminals (Korea).

2000

1998
Company name is changed from Storli to Odfjell. New graphical layout and new logo.

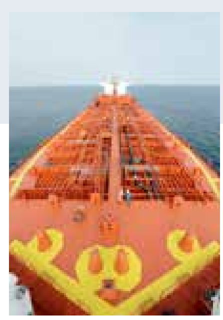
ODFJELL

1999
The second Poland class: delivery of four 6,000 dwt fully stainless steel chemical tankers.



2001
Odfjell Terminals becomes partner in Oiltanking Odfjell Terminal (Singapore).

2013
Delivery of the world's largest chemical tanker, Bow Pioneer.



2013
Odfjell Terminals Quanzhou (Fujian) (China).

2010
Starting construction of a new terminal in Charleston (USA).

2012
Re-entering the gas segment through the establishment of Odfjell Gas Carriers.

2010

2014

2011
Partnership with Lindsay Goldberg is established for the terminal business.

2011
Signing up for the United Nations Global Compact.

THE GLOBAL COMPACT
WE SUPPORT

2012
Noord Natie Odfjell Terminals (Belgium) and Odfjell Nangang Terminals (Tianjin) (China).

2014
Celebrating our 100 year anniversary.

ODFJELL
100 years
1914 - 2014

STILL NO RECOVERY

Contrary to expectations, 2013 did not provide a much needed recovery. The chemical tanker market showed signs of improvements during the first half of the year. From the middle of the summer however, this trend stopped to some degree, causing stagnation and lower earnings. Adding to the negative trend, particularly towards the end of the year, were continued high fuel costs combined with port congestions and a lot of bad weather; causing delays and inefficient operations.

2013 was our first full year of operations in the LPG/Ethylene market. With only two 9,000 cbm vessels, Odfjell Gas' exposure to changing market conditions has turned out a bigger challenge than anticipated at the outset. The economic results for the year as a whole therefore, ended negative. Our ordering of four 17,000 cbm ships with ethylene capacity has brought stronger interest in our venture both by customers, investors and potential partners. We remain committed therefore, in our plans to develop Odfjell Gas into a major operator in the handy-size segment of the LPG/Ethylene market.

Despite putting in much hard work and considerable resources, many of our long-term challenges at Odfjell Terminals (Rotterdam) (OTR) remained unsolved. In the interim we continue suffering substantial losses at this, our biggest tank terminal. Although having made considerable progress and gradually getting to grips with the situation, we have to admit that it has become extremely challenging; primarily due to measures needed to comply with new and stricter regulatory requirements, but also because of changing market conditions. Both recent and current activities are in effect all about planning and setting the stage for a new future for the terminal. Most of our other terminals have been operating satisfactorily, both from a QHSE and financial perspective. We are particularly pleased with the fact that the construction of our two new terminals, in Charleston, USA and in Nangang, near Tianjin, China, has progressed according to budgets and schedules, and most importantly, without any injury to personnel or contractors.

When it comes to QHSE in general, 2013 took us in the right direction as compared to previous years. Our performance as measured by our many KPIs, remained mixed, but the overall trend was clearly positive. This has come as a result of strong efforts over many years and not only last year's activities, although some of the new initiatives such as the introduction of our Roadmap to Operational Excellence, Ship Management's Leadership and Followership Development Programme as well as our first corporate wide annual Safety Day all have made a positive impact on our general safety attitude and awareness.

Irrespective of reason, we seem to be on the right track and I am confident therefore, that the organisation is set for making further improvements.

With no recovery, 2013 will go into history as the fifth year in a row of loss-making. During the last three years we have predicted an upturn of the markets in which we operate, and for that reason we have elected to keep our fleet and organisation basically intact to be well prepared for increased activity. Current surplus capacity in terms of available tonnage however, due to the overbuilding in the period 2003 to 2010, is seemingly larger than earlier anticipated, not least because of underutilisation of the ships. The result therefore, is that it will take longer than anticipated for the market to reach a satisfactory balance.

In the meantime, signing of contracts for construction of new ships is intensifying and has so far brought the order book of chemical tankers to more than 10% of the existing fleet as compared to less than 7% only a year ago. We are concerned that money seemingly so easily finds its way to the building of new tonnage, particularly so in view of such contracting of ships being done on the back of still depressed markets. Overall long-term prospects however, remain favourable with an underlying growth in demand for our shipping services, although not as soon as we expected at this time last year.

Our terminal business continues developing in a positive direction, not least with our exciting new projects in China. Although still a considerable concern to us, I am confident that we will be able to bring OTR, our Rotterdam tank terminal, up to required standard within reasonable time. This will have a very positive impact on our overall tank terminal results. However, also within tank terminals we see a potential for further improvements.

Consequently, we have to continue developing and further improving the way we operate, in terms of safety, efficiency, quality and costs, in all aspects of our business; including shipping, tank terminals and staff functions, to make sure we remain fully competitive and thus, ready for the next 100 years of our Company's history.

JAN ARTHUR HAMMER
President/CEO

A CENTURY OF SHIPPING AND STORING ANYTHING LIQUID

Odfjell SE (Odfjell or the Company) is a leading company in the global market for the transportation and storage of chemicals and other specialty bulk liquids. Originally established in 1914, the Company pioneered the development of the chemical tanker trades in the mid-1950s and the tank storage business in the late 1960s. Odfjell owns and operates chemical tankers and LPG/Ethylene carriers in global and regional trades, as well as a joint venture network of tank terminals.

Odfjell's business is an important contributor to industrial and social development around the world. Our core business is the transportation and storage of organic and inorganic bulk liquid chemicals, acids, animal fats, edible oils, potable alcohols, LPG/Ethylene and clean petroleum products. These important ingredients and raw materials for everyday life can be found in products like medicines, medical equipment, building materials, cosmetics, food, textiles, cars and plastics.

OUR STRATEGY

Odfjell's strategy is to maintain its position as a leading logistics service provider with customers across the world, through the safe and efficient operation of deep-sea and regional chemical tankers, LPG/Ethylene carriers and tank terminals worldwide.

OUR CHEMICAL TANKERS

Odfjell has unprecedented experience of deep-sea transportation of chemicals and other liquids. Our operations are fully integrated, with in-house functions for chartering, operation and ship management. Our major trade lanes cover the US, Europe, Asia, India, the Middle East and South America. At the end of 2013 Odfjell's sophisticated fleet consisted of 81 ships, including owned, time-chartered and commercially managed vessels. The Company also has four newbuildings on order. The total capacity of the current fleet is around 2.2 million dwt. The chemical tanker business posted a gross revenue of USD 1,028 million in 2013.

OUR LPG/ETHYLENE CARRIERS

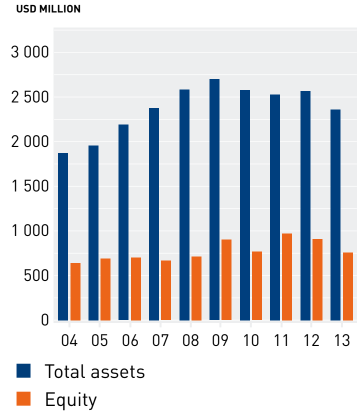
In 2012 Odfjell re-entered the LPG/Ethylene market and established the company Odfjell Gas AS. For the time being it owns and operates two LPG/Ethylene carriers of 9,000 cbm each. The company also has four newbuildings on order as well as option for up to additional four vessels. Odfjell's strong brand name and global network of branch offices provide a robust competitive edge for further growth within this segment.

OUR TANK TERMINALS

Our terminal operations yield synergies with our transportation activities, and improve quality and efficiency across the entire transportation chain. The tank terminal business contributes stable revenues for the Company's overall results. Our tank terminal operations also offer opportunities to develop new markets where the infrastructure for specialised bulk liquids is limited. Odfjell has investments in 11 operational part-owned tank terminals in the Netherlands, Belgium, the USA, Singapore, South Korea, Oman, China and Iran. In addition the Odfjell Nangang Terminals (Tianjin), China, is currently under construction, and is expected to become operational in the fourth quarter of 2014. The Company has also a projected terminal in Fujian, China. The Company also cooperates with 11 terminals in South America and one in Canada. These tank terminals are partly owned by related parties. The terminal business generated a gross revenue of USD 129 million in 2013.

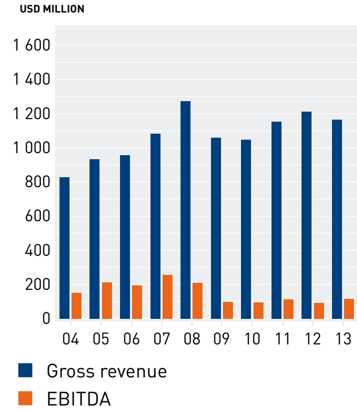
ASSETS / EQUITY PER YEAR

USD MILLION



GROSS REVENUE / EDITDA PER YEAR

USD MILLION



HIGHLIGHTS 2013

FINANCIAL PERFORMANCE

- Gross revenues of USD 1,165 million
- EBITDA of USD 117 million
- Operating loss (EBIT) USD 75 million
- Net loss of USD 108 million

ASSET DEVELOPMENT

In March we took delivery of Bow Nangang, a 9,000 dwt stainless steel tanker, the third and final newbuilding from the Chongqing Chuandong yard in China.

In May we purchased Bow Engineer, a 30,000 dwt vessel with 28 stainless steel cargo tanks. The vessel was built in 2004 and has been on time-charter to Odfjell since 2006.

In June we took delivery of Bow Pioneer, the world's largest chemical tanker. The vessel, which was delivered from Daewoo Shipbuilding and Marine Engineering in South Korea, is 75,000 dwt, and has 30 coated cargo tanks with a total cargo capacity of 86,000 cbm.

With effect from June, and after many years of co-operation, Odfjell and National Chemical Carriers (NCC) agreed to discontinue their joint pool of 40,000 to 45,000 dwt vessels. The decision was prompted by different strategies going forward. However, the partnership continues with Bow Pioneer, a 75,000 dwt coated tanker, in a joint pool with its sister vessel owned by NCC.

In September Odfjell signed shipbuilding contracts with Nantong Sinopacific Offshore & Engineering Co., Ltd for the construction of four LPG/Ethylene carriers of 17,000 cbm each. Deliveries are scheduled between October 2015 and May 2016. We have secured options for delivery of up to four additional gas carriers. This newbuilding order is an important step in our strategy to grow and become a significant operator in the gas market.

In November Odfjell, together with our 50/50 Chilean joint venture partner CSAV, purchased Bow Andino, renamed Bow Condor (16,121 dwt, built in 2000), which until the purchase was on a long-term time-charter contract to Odfjell. In December we acquired Bow Santos, a 20,000 dwt vessel with 22 stainless steel tanks built in 2004.

The four 46,000 dwt coated chemical tankers, currently being built at Hyundai Mipo Dockyard in South Korea, will be delivered in 2014.

With effect from January 2014, Odfjell and Euroceanica agreed to dissolve their pool of stainless steel tankers trading in the Baltic, Northwest Europe and the Mediterranean. We will continue trading our vessels in this area under our former name 'Odfjell Europe AS'.

As a part of the fleet development programme, Odfjell has sold two vessels built in 1988 for recycling. The vessels have Green Passports, and the buyers are responsible for ensuring that the recycling yard submits a working plan in accordance with IMO guidelines for ship recycling. In addition, two older vessels were sold to third parties.

During 2013 we entered into time-charter agreements for ten vessels, one coated and nine stainless steel, with terms ranging from one to three years. At the beginning of 2014 we also entered into a time-charter agreement for one stainless steel tanker and one LPG carrier of 35,000 cbm.

In June we concluded the transaction with Lindsay Goldberg to expand our existing partnership to include practically all tank terminal assets. The new global partnership allows us to pursue a growth agenda for our terminal business.

In June we also signed an agreement to enter into a 50/50 joint venture with the Founder Group China for the development of a petrochemical tank terminal in Quanzhou, Fujian Province, China. Odfjell Terminals has acquired from the Founder Group, a 50% equity share in the existing Fujian Fangtong Terminals Co Ltd. The objective is to construct a new tank terminal which we will manage and operate.

The terminal construction project at Charleston, USA, was completed in December, thereby making the initial 79,491 cbm available for service. We have also signed a Letter of Intent to purchase Chem-Marine Corporation which controls 10.2 hectare of land adjacent to our terminal in Charleston.

Our terminal project in Tianjin, China, is progressing, with construction planned for completion by the fourth quarter 2014. Construction of a further 30,800 cbm of stainless steel tanks at our terminal in Houston, USA, is well underway, and is expected to be completed by the end of the second quarter 2014. This expansion will bring total capacity at the terminal to 362,134 cbm.

SHARE INFORMATION

At the end of 2013 the Odfjell A shares were trading at NOK 41 (USD 6.74), up 71% from NOK 24 (USD 4.29) at year-end 2012. The Odfjell B shares were trading at NOK 39.50 (USD 6.50) at the end of 2013, up 74% from NOK 22.70 (USD 4.06) at year-end 2012.

By way of comparison, the Oslo Stock Exchange benchmark index increased by 24%, the marine index by 61% and the transportation index by 57% during the year. As of 31 December 2013 Odfjell had a market capitalisation of around NOK 3,905 million (USD 643 million).

KEY FIGURES/FINANCIAL RATIOS

ODFJELL GROUP	Figures in	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
FROM STATEMENT OF COMPREHENSIVE INCOME											
Gross revenue	USD million	1 165	1 212	1 154	1 048	1 058	1 274	1 083	958	932	828
EBITDA [1)]	USD million	117	93	113	94	99	209	255	196	212	152
Depreciation/impairment	USD million	(207)	(132)	(122)	(124)	(119)	(122)	(119)	(103)	(92)	(86)
Capital gain (loss) on non-current assets	USD million	16	(4)	31	(6)	44	53	25	15	14	7
EBIT [2)]	USD million	(75)	(43)	21	(36)	11	140	159	125	148	88
Net financial items	USD million	(39)	(68)	(35)	(30)	(28)	(43)	(55)	(38)	(25)	(6)
Net result from discontinued operation	USD million	–	–	288	33	30	34	27	20	16	16
Net result allocated to shareholders' equity before extraordinary items [*)]	USD million	(108)	(111)	269	(79)	11	131	130	116	127	94
Net result allocated to shareholders' equity	USD million	(108)	(111)	269	(79)	121	163	(10)	116	127	94
Net result	USD million	(108)	(111)	269	(79)	121	163	(10)	116	128	95
Dividend paid	USD million	–	–	14	–	12	34	43	72	60	53
FROM STATEMENT OF FINANCIAL POSITION											
Total non-current assets	USD million	2 002	1 993	2 140	2 195	2 256	2 226	2 048	1 815	1 656	1 568
Current assets	USD million	357	576	388	385	442	359	331	374	300	260
Shareholders' equity	USD million	759	908	973	766	901	715	666	702	692	639
Minority interests	USD million	–	7	6	6	5	6	6	6	–	4
Total non-current liabilities	USD million	1 298	1 141	1 244	1 356	1 475	1 540	1 362	1 225	1 008	951
Current liabilities	USD million	302	514	305	451	318	324	343	256	255	244
Total assets	USD million	2 360	2 569	2 528	2 580	2 699	2 585	2 379	2 189	1 956	1 872
PROFITABILITY											
Earnings per share - basic/diluted - before extraordinary items [3)]	USD	(1.36)	(1.37)	3.43	(0.46)	0.13	1.56	1.56	1.38	1.47	1.09
Earnings per share - basic/diluted [4)]	USD	(1.36)	(1.37)	3.43	(0.99)	1.42	1.95	(0.12)	1.38	1.47	1.09
Return on total assets - before extraordinary items [*) 5)]	%	(2.3)	(2.3)	12.4	0.4	2.3	8.2	8.5	8.2	8.6	6.9
Return on total assets [6)]	%	(2.3)	(2.3)	12.4	(1.2)	6.5	9.5	2.0	8.2	8.6	6.9
Return on equity - before extraordinary items [*) 7)]	%	(12.9)	(11.6)	30.6	(4.2)	1.4	18.6	19.0	16.6	19.2	15.4
Return on equity [8)]	%	(12.9)	(11.6)	30.6	(9.4)	14.9	23.3	(1.5)	16.6	19.2	15.4
Return on capital employed [9)]	%	(3.5)	(2.0)	2.5	0.8	3.6	10.2	12.0	9.5	11.6	8.4
FINANCIAL RATIOS											
Average number of shares	million	79.39	80.60	78.56	79.29	85.22	83.81	83.34	84.23	86.77	86.77
Basic/diluted equity per share [10)]	USD	9.67	10.46	12.71	9.75	11.00	8.24	8.00	8.41	7.98	7.36
Share price per A share	USD	6.74	4.29	5.99	9.23	9.03	6.22	16.47	18.34	20.26	17.54
Interest-bearing debt	USD million	1 350	1 221	1 246	1 527	1 576	1 500	1 347	1 293	1 037	1 000
Bank deposits and securities [11)]	USD million	152	158	180	107	185	193	165	242	190	233
Debt repayment capability [12)]	Years	14.1	45.1	2.8	11.4	10.6	6.0	4.9	4.8	3.8	4.1
Current ratio [13)]		1.2	1.1	1.3	0.9	1.4	1.1	1.0	1.5	1.2	1.1
Equity ratio [14)]	%	32	36	39	30	34	28	28	32	35	34
OTHER											
USD/NOK rate at year-end		6.08	5.59	6.01	5.85	5.76	7.00	5.40	6.27	6.76	6.04
Employees at year-end		3 352	3 540	3 761	3 796	3 707	3 690	3 634	3 487	3 296	3 416

*) Extraordinary items are retroactive tax in 2007, 2008, 2009 and 2010.

Figures from profit and loss statement are according to International Financial Reporting Standards (IFRS).
Historical figures per share have been adjusted for past bonus share issues and the share-splits in 2004 and 2005.
Profit and loss figures have been adjusted for discontinued operation earlier than year 2011.
Balance sheet 2012 and 2011 have been adjusted for pension corridor.

1. Operating result before depreciation, amortisation and capital gain (loss) on non-current assets.
2. Operating result.
3. Net result allocated to shareholders' equity before extraordinary items divided by the average number of shares.
4. Net result allocated to shareholders' equity divided by the average number of shares.
5. Net result plus interest expenses and extraordinary items divided by average total assets.
6. Net result plus interest expenses divided by average total assets.
7. Net result plus extraordinary items divided by average total equity.
8. Net result divided by average total equity.
9. Operating result divided by average total equity plus net interest-bearing debt.
10. Shareholders' equity divided by number of shares per 31.12.
11. Bank deposits and securities includes cash and cash equivalents and available-for-sale investments.
12. Interest-bearing debt less bank deposits and securities, divided by cash flow before capital gain (loss) on non-current assets.
13. Current assets divided by current liabilities.
14. Total equity as percentage of total assets.

ODFJELL MANAGEMENT GROUP

JAN ARTHUR HAMMER
President/Chief Executive Officer

Mr Hammer has worked for Odfjell since 1985. He has held various management positions in the Company, both in chartering and tank terminal activities, before being appointed President and CEO in 2009. Mr Hammer owns 23,200 B shares and no options.

MORTEN NYSTAD
Senior Vice President, Odfjell Tankers AS

Mr Nystad joined Odfjell in 1980, and has held a number of managerial positions in the Company's chartering division in Bergen and at other overseas locations. In 2010 he became SVP Odfjell Tankers. Mr Nystad does not own any shares or options.

KNUT HOLSEN
Senior Vice President, Odfjell Gas Carriers AS

Mr Holsen has been employed by the Company since 1986, and has held various positions within Odfjell Tankers. He was formerly VP Chartering Middle East/India & Africa before being appointed SVP for the newly established Odfjell Gas Carriers. Mr Holsen does not own any shares or options.

TORE JAKOBSEN
Senior Vice President, Corporate Investments

Mr Jakobsen joined Odfjell in 2005, having formerly been President and CEO of Westfal-Larsen & Co. Mr Jakobsen does not own any shares or options.

HELGE OLSEN
Senior Vice President, Ship Management

Mr Olsen joined Odfjell in 2000. Prior to this he held management positions in Odfjell's Ship Management divisions in Bergen and Singapore, and also served in the Royal Norwegian Navy. In 2006 he became SVP Ship Management. Mr Olsen does not own any shares or options.

TERJE IVERSEN
Senior Vice President Finance/Chief Financial Officer

Mr Iversen joined Odfjell in 2011. He was previously CFO of Bergen Group. He has also held various managerial positions at Odfjell Drilling and PwC. Mr Iversen does not own any shares or options.

DAVE ELLIS
President, Odfjell Terminals BV

Mr Ellis has been with the Company since 1996 when he was appointed Commercial Manager for Odfjell USA. In 2005, he was promoted to Vice President – Commercial for both shipping and terminals in Houston. In 2007 he was appointed President of Odfjell USA, and in 2013 he was appointed President of Odfjell Terminals BV. Mr Ellis does not own any shares or options.

HARALD FOTLAND
Senior Vice President, Corporate Services and Support

Mr Fotland joined Odfjell in 2010, having previously been Vice President of the marine insurance company Gard AS. He has also held several positions within the Royal Norwegian Navy. Mr Fotland does not own any shares or options.

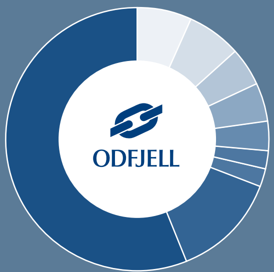
TORALF SØRENES
Senior Vice President, Quality, Health, Safety and Environment

Mr Sørenes has been employed by the Company since 1987. As well as serving as VP Risk Management at Odfjell, he also has extensive experience as a Captain in the Odfjell fleet. Mr Sørenes became SVP QHSE in 2012. Mr Sørenes owns 11,000 A shares and no options.

From left: Knut Holsen, Helge Olsen, Dave Ellis, Tore Jakobsen, Terje Iversen, Jan A. Hammer, Morten Nystad, Harald Fotland and Toralf Sørenes.

OUR PURPOSE

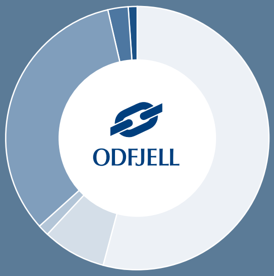
Our business is an important contributor to industrial and social development around the world. Our core business is the transportation and storage of organic and inorganic bulk liquid chemicals, acids, animal fats, edible oils, potable alcohols, LPG/Ethylene and clean petroleum products. These important ingredients and raw materials for everyday life can be found in products like medicines, medical equipment, building materials, cosmetics, food, textiles, cars and plastics.



THE DEEP-SEA CHEMICAL TANKER FLEET

- 6.9% Odfjell
- 6.5% Stolt-Nielsen
- 4.8% Fairfield Iino
- 4.6% Milestone Tankers
- 3.7% Navig8 Chemicals
- 2.3% MISC
- 2.2% Eitzen
- 13.0% Other majors
- 55.9% Others

Source: Odfjell



THE ODFJELL FLEET DISTRIBUTION (CHEMICAL TANKERS)

- 54.3% Odfjell owned ships
- 7.8% Bare-boat
- 1.5% Ships on floating rate time-charter rate
- 32.8% Ships on fixed rate time-charter rate
- 2.7% 3rd Party Pool Participant
- 0.9% Gas Carriers

Source: Odfjell

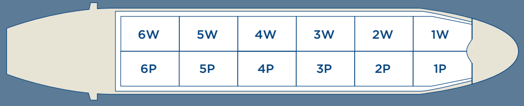
ODFJELL CARRIES MORE THAN

500

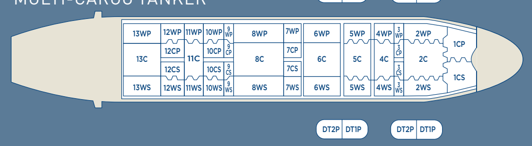
VARIOUS PRODUCTS

EVERY YEAR

ORDINARY TANKER



ODFJELL'S SOPHISTICATED MULTI-CARGO TANKER



CHEMICAL TRANSPORTATION AND STORAGE

Chemicals are an integral part of modern life, and most industries now depend on products derived from such commodities. The sector has enjoyed solid growth worldwide for many years. Developing economies around the world are fuelling major increases in both consumption and production of chemicals.

The largest chemical segment, both in terms of total volumes and product diversity, is petrochemicals. Historically, production of petrochemicals was based in the USA and Europe. However, production capacity has gradually been growing in the Far East, South America, South Africa, and the Middle East in particular. In recent years, China has developed into a major chemical producer and gradually also an exporter. New plants in these regions are mostly designed for the production of base chemicals or 'building blocks', whilst the production of derivatives and specialty chemicals is still mostly concentrated in the USA and Europe. However, manufacturing companies in the Middle East are investing in developing their business further downstream.

Chemical production facilities have traditionally been located in areas with easy access to raw materials. Historically, much petrochemical production was coal-based. Naphtha, a derivative from crude oil refining, is another raw material that is widely used, particularly in Asia and Europe. Ethylene and propylene, the two main building blocks for the chemical industry, can be derived both from naphtha and from natural gas. New plants are being built in areas where natural gas is readily available, which explains the massive increase in production capacity in the Middle East and in recent years also in the USA as a result of the booming shale gas industry.

The petrochemical industry is truly international, with both production and consumption in all regions of the world, and many petrochemical companies have become global in their market approach. As a result, the petrochemical industry has a constant demand for logistics services such as transportation and storage. Most shipping and storage companies today operate locally or within a certain region, or specialise in one particular type of service, e.g. bulk liquid storage. Only a few have the ability to offer a multiplicity of different services on a global basis.

Odfjell is one of the few companies offering a worldwide network of both bulk shipping and storage services. Operating through offices at central locations around the world, Odfjell is a major player in the chemical tanker segment, operating all the major trade lanes. While chemical tankers represent only a small percentage of the total world fleet of ocean-going tankers, for which the main cargo is crude oil, there is nevertheless a considerable interplay between various tanker segments. As far as the chemical tanker market is concerned, handysize and medium-range product tankers of 35,000–50,000 dwt are frequently employed for the carriage of clean petroleum products such as naphtha, gasoline, diesel and gas oil.

Chemical tankers are generally designed and constructed to handle several different types of cargo simultaneously, and therefore usually combine different customers' requirements on each voyage. Each product and each customer's consignment are always kept segregated. Most chemical tankers fall into one of two categories: ships with all or the majority of cargo tanks made of stainless steel, and ships with only coated tanks, i.e. mild steel tanks that have been painted with protective coating, usually based on epoxy or zinc. There are also chemical tankers with tanks protected by polymer-based coatings.

Ships with coated tanks typically carry commodity-type chemicals, clean petroleum products, vegetable oils and similar less demanding cargoes. Ships with cargo tanks made of stainless steel are often built to handle a higher number of different products. These vessels are used for the most specialised types of chemical products, which in addition to requiring stainless steel transport, may also demand special handling in terms of temperature and pressure control. Stainless steel cargo tanks are also required for carriage of different types of acids.

ORGANIC CHEMICALS

RAW MATERIALS ›	BASIC PRODUCTS ›	DERIVATIVES ›	END PRODUCTS
Coal	BTX	EDC	Paint
Gas	Ethylene	Styrene	Fibres
Crude oil	Propylene	Glycol	Plastics
	Methanol	MTBE	Detergents
	Butadiene	Industrial alcohols	Oil additives
		Polyester	Rubber

For a global and long-term operator such as Odfjell it is an advantage to possess a varied and efficient mix of ships, to be able to adapt rapidly to changing market requirements.

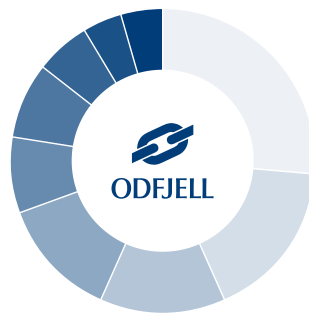
Odfjell carries several hundred different products every year: organic chemicals such as alcohols, acrylates and aromatics; clean petroleum products such as lubricating oils, vegetable oils and animal fats; and inorganic chemicals such as sulphuric and phosphoric acids and caustic soda.

With a frequent presence on all major trade lanes, Odfjell can offer unique and flexible services, allowing customers to ship small parcels of 100-150 tonnes to full cargoes of up to 50,000 tonnes. By entering into Contracts of Affreightment, the customer can plan regular shipments in order to meet required delivery targets. However, a significant part of the cargoes carried by chemical tankers is fixed in the spot market, often by trading companies taking advantage of arbitrage opportunities caused by commodity price fluctuations.

Odfjell's strategy involves consolidation of loading and discharging operations at certain key hubs for chemical distribution. Our investments in small ships for transhipment purposes, and in tank terminals at major ports such as Houston, Rotterdam, Singapore and Onsan, play an important role in this respect.

Tank terminals are an integral part of the chemical logistics chain, and their services constitute a natural link between our traditional shipping services and inland transportation by different modes such as barges, railcars, trucks, ISO containers and pipelines. Odfjell's tank terminals handle, store and distribute bulk liquid chemicals to and from all different modes of transportation.

THE CORE DEEP-SEA CHEMICAL TANKER FLEET



13.2%	Odfjell
12.7%	Stolt-Nielsen
8.2%	Fairfield/Iino
8.0%	Milestone Tankers
5.8%	Navig8 Chemicals
4.3%	Eitzen
4.2%	MISC
17.2%	Other majors
26.4%	Others

We define a core chemical tanker as:

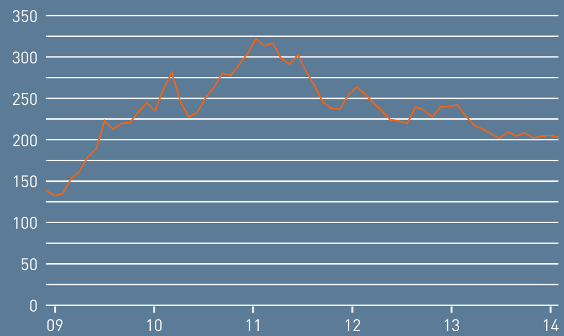
- IMO II capacity, fully or at least centre tanks
- Average tank size ≤3,000 cbm
- Commercially controlled by core chemical operator
- Chemical carrier with ≥50% stainless steel capacity

Source: Odfjell

OUR CHEMICAL TRADE

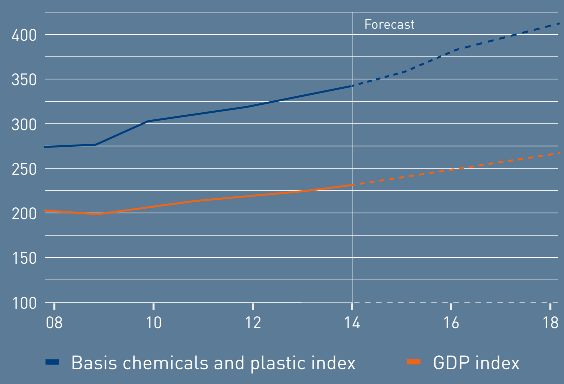
Chemicals are an integral part of modern life, and most industries now depend on products derived from such commodities. The largest chemical segment, both in terms of total volumes and product diversity, is petrochemicals. The petrochemical industry is truly international, with both production and consumption in all regions of the world. We are one of the few companies offering a worldwide network of both bulk shipping and storage services. Operating through offices at central locations around the world, we are a major player in the chemical tanker segment trading in all the major trade lanes.

INDUSTRIAL METAL COMMODITIES INDEX



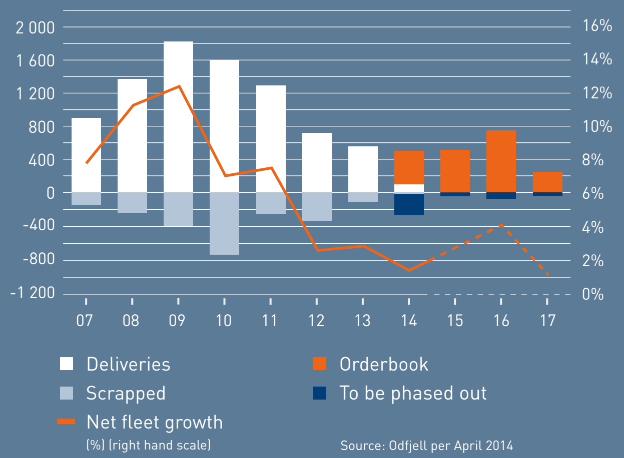
Source: DNB

CHEMICAL AND PLASTIC METAL COMMODITIES



Source: IHS Chemical

CORE DEEP-SEA CHEMICAL TANKER FLEET



Source: Odfjell per April 2014

18,214,989 TONNES SHIPPED IN 2013

CHEMICAL TANKERS

CHARTERING AND OPERATION

At the end of 2013 the Odfjell fleet consisted of 81 vessels. This includes owned, time-chartered and commercially managed vessels, as well as vessels managed on a pool basis. The deep-sea fleet, currently comprising 60 vessels, is operated by Odfjell Tankers AS, a wholly owned subsidiary of Odfjell SE. Odfjell Tankers, headquartered in Bergen, is represented through overseas offices in 15 countries. Many offices are multipurpose, with commercial, chartering, operational as well as agency duties. Many of the overseas offices are also co-located with, and enjoy close cooperation with, our local terminals.

The fleet consists of a variety of ship types in terms of size, tank configuration and coating, all of which provides the flexibility required by customers. Fleet-composition, scheduling and vessel optimisation are critical success factors. Flexibility and interchangeability of ships between geographical areas and trade lanes are an integral part of our business model, facilitated by our large and diversified fleet.

Odfjell Tankers' ships trade worldwide, calling at major ports in Europe, the USA, the Asia/Pacific region, Africa, the Middle East and South America. Our 14 state-of-the-art 37,500 dwt Kværner-built stainless steel chemical tankers, and our eight fully stainless steel 40,000 dwt chemical tankers built in Poland, are among the most advanced and flexible ships in the market, and play a vital part in the Company's focus on safety, efficiency and service. Furthermore, we have added capacity and flexibility through long-term time-charters of Japanese-built 19,900 dwt and 30,000–33,000 dwt stainless steel vessels.

Although still in good technical condition, most of our older ships are less in demand from customers, due to their age. Consequently, Odfjell has disposed of all coated 1980s-built ships. A replacement programme is in place, with four 46,000 dwt coated vessels on order from Hyundai Mipo Dockyard, Ltd in South Korea, all for delivery during 2014. Additional capacity is constantly being evaluated, including longer-term time-chartering of modern coated tonnage. Odfjell took delivery of its 75,000 dwt coated vessel from Daewoo Shipbuilding and Marine Engineering Ltd in 2013, the biggest chemical tanker ever built. The vessel, Bow Pioneer, will be sailing in a pool managed by National Chemical Carriers (NCC).

Odfjell has been promoting high safety and enhanced efficiency standards on chemical tankers since the inception of the industry, and thus takes a proactive approach towards international regulatory bodies and major customers in order to enhance safety. In this context, Odfjell continues to address key issues, such as the practice of tank inerting, and stresses the importance of implementing a more cost-efficient and transparent regime of ship inspection and vetting programmes on the part of customers.

While an increased naval escort presence and the introduction of armed guards have improved security in the Gulf of Aden, ships are still subjected to attacks by pirates. Odfjell Tankers is monitoring the situation closely, and we take all necessary precautions to minimise risks. The safety of crew, ship and cargo is the first priority.

Port congestion and excessive waiting time remain a concern for the chemical tanker industry, and port time still makes up a disproportionate part of many voyages. Owners are only partly able to compensate for such inefficiency through the collection of demurrage. To improve port efficiency, thereby also minimising unnecessary emissions from ships, infrastructure onshore must be further developed.

Through regional operations, Odfjell Tankers provides customers with timely, quality and safe transhipment services to and from ports with restricted draft or dock facilities. Consolidation of loading and discharging operations of our deep-sea ships is yet another important task performed by our regional operations. By reducing the number of ports and thus the risk of delay, Odfjell Tankers is able to offer a reliable and economical service to its customers.

Odfjell (UK)

Odfjell's UK office has commercial and operational responsibility for three 40,000 dwt vessels.

Odfjell Asia

The fleet operated out of our Singapore office is traded within Asia, to and from Australia and New Zealand as well as to and from the Middle East/India. All 11 ships currently operated out of Singapore are fully stainless steel.

Odfjell Europe

Odfjell Europe offers regular sailings within Europe, including the Mediterranean. All four vessels currently in the fleet are owned by Odfjell.

Flumar

Flumar, our fully owned Brazilian shipping subsidiary operating out of São Paulo, Brazil, offers transportation of bulk liquid chemicals along the Brazilian coast and within the Mercosul area. The company currently operates four chemical tankers and one 51,000 dwt product tanker. Together, Odfjell and Flumar provide customers with superior service capabilities in the Mercosul area.

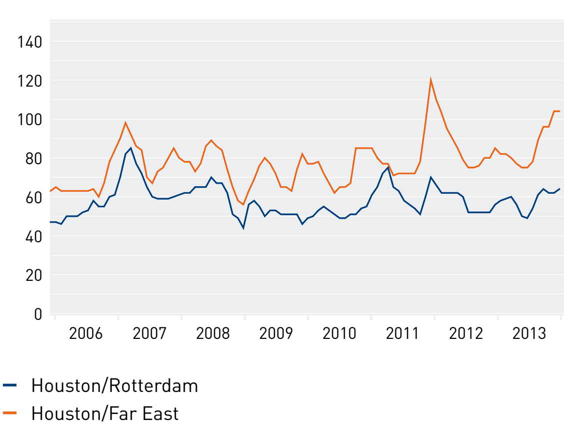
Furthermore, the extensive network of tank terminals in Brazil and Argentina, partially owned by related parties, adds value and benefits to its customers' logistics requirements.

Odfjell y Vapores

The 50/50 joint venture Odfjell y Vapores operates out of Santiago, Chile, with two chemical tankers of approximately 16,000 dwt. The vessels are primarily engaged in the transportation of sulphuric acid along the Peruvian and Chilean coast.

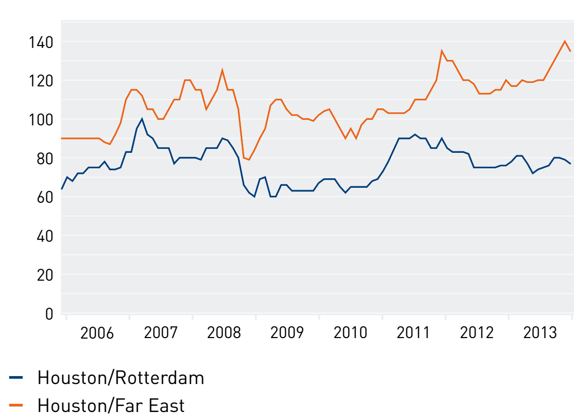
CHEMICAL TANKERS	FIGURES IN	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Gross revenue	USD million	1 028	1 066	1 056	999	1 021	1 247	1 063	939	915	814
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD million	98	65	61	59	73	191	242	202	216	159
Operating result (EBIT)	USD million	3	(35)	(9)	(58)	(6)	129	150	106	138	85
Total assets	USD million	1 625	1 634	1 439	1 593	1 398	1 462	1 504	1 424	1 321	1 146
Volume shipped	1 000 tonnes	18 215	19 546	18 500	19 303	19 414	19 622	19 502	20 658	22 156	22 614
Number of ships per 31.12		81	96	98	86	95	93	92	92	93	95
Total deadweight	1 000 tonnes	2 273	2 684	2 717	2 352	2 603	2 460	2 391	2 362	2 393	2 447

FREIGHT RATES 3 000 MTS EASY GRADE CHEMICALS (USD/TONNE)



Source: Quincannon Associates, Inc

FREIGHT RATES 1 000 MTS STAINLESS STEEL GRADE CHEMICALS (USD/TONNE)



Source: Quincannon Associates, Inc

LPG/ETHYLENE

Odfjell re-entered the LPG/Ethylene market in 2012 by purchasing two LPG/Ethylene carriers, Bow Guardian and Bow Gallant. Odfjell Gas AS (Odfjell Gas), a wholly owned subsidiary of Odfjell SE, is responsible for in-house commercial and technical management of the vessels.

In 2013, Odfjell Gas continued to expand its gas business by signing newbuilding contracts for four 17,000 cbm LPG/Ethylene carriers with Nantong Sinopacific Offshore & Engineering Co. Ltd., China, for delivery in 2015 and 2016. In addition, options for up to four additional gas carriers of either 17,000 cbm or 22,000 cbm were secured for delivery in 2016-2017.

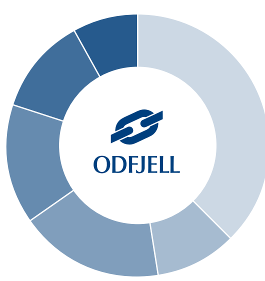
Declaring the options will give Odfjell Gas a fleet of ten of the most versatile LPG/Ethylene carriers in the market. These vessels will benefit from their ability to load a combination of LPG, ammonia and petrochemical gases, including ethylene.

Odfjell Gas is targeting a critical mass of between 10-15 vessels in the LPG/Ethylene segment, and the latest order will secure a position as a significant participant in the market in terms of cubic meter capacity.

Odfjell Gas' business concept is to capitalise on Odfjell's strong brand name and global network of marketing offices, as well as its unique cross-over experience from the specialised chemicals market. The company will be able to leverage on Odfjell's broad, blue-chip client portfolio, which overlaps substantially with leading LPG and petrochemical charterers.

ESTIMATED DEMAND COMPOSITION FOR SMALL SIZE VESSEL GROUP

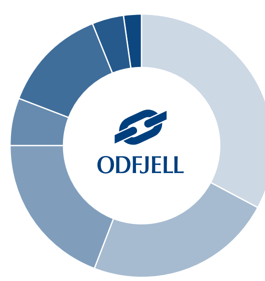
- LPG 38%
- Ammonia 10%
- Ethylene 18%
- Propylene 15%
- Butadien 12%
- VCM 8%



Source: ViaMar AS

ETHYLENE FLEET - AGE DISTRIBUTION

- 0–4 years 33%
- 5–9 years 23%
- 10–14 years 19%
- 15–19 years 6%
- 20–24 years 13%
- 25–29 years 4%
- >=30 years 2%



Source: ViaMar AS

SHIP MANAGEMENT

Odfjell Ship Management offers a fully integrated service, with fleet management, crewing, risk management and technology support. As ships account for a substantial part of our total fixed assets, it is imperative that the fleet is managed and operated efficiently, assets are protected and values maintained. Odfjell Ship Management manages or supervises all owned and bare-boat chartered vessels. At the end of 2013, Odfjell managed or supervised a fleet of 50 vessels; 48 chemical tankers and two LPG/Ethylene carriers.

Odfjell Ship Management employs personnel at offices in Bergen, Singapore, Manila, Subic Bay, São Paulo and Houston, who provide direct support to ships operating regional trades and ships in the deep-sea fleet, as well as professional crew management. In 2013 Odfjell Ship Management continued to reinforce its efforts to develop a safety culture capable of taking Health, Safety, Security and Environment performance to a sustainably higher level. For that purpose a Leadership and Followership Development Programme for all seafarers was launched in August 2013. The retrospective training for management level officers will be concluded early March 2014 after which retrospective training for all other ranks commences with a view of having the programme fully implemented by March 2015.

The ship maintenance programme secures safe and efficient operation, a long useful working life and high second-hand values of the vessel. The maintenance strategy is implemented through our computerised planned maintenance system supported by an in-house specialist team. A well-structured technical project management team ensures compliance with relevant rules and regulations as well as various ship performance improvements.

The safe operation of chemical tankers and LPG/Ethylene carriers depends on highly qualified officers and crew. Our ships are mainly registered in Norway (NIS) and Singapore, and are primarily manned by Norwegian and Filipino mariners with extensive experience. The Flumar fleet, which trades primarily along the Brazilian coast, is manned by Brazilian mariners.

Odfjell pays considerable attention to recruiting qualified officers and crew members, and at any given time, more than 150 Norwegian, British or Filipino mariners are normally employed as trainees or cadets.

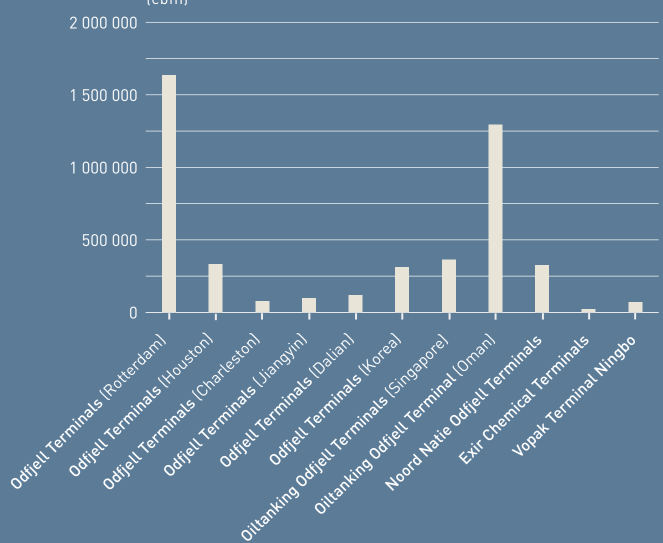
Odfjell Ship Management actively applies risk management processes to maintain and improve performance. Every year Odfjell carries out regular internal audits of ships and offices. Customers conduct inspections through the Chemical Distribution Institute and the Oil Companies International Marine Forum. Periodical surveys are carried out by various classification societies, flag states and port states. From 2013 all Ship Management branch offices have been included in our regime of compliance audits. In addition, Det Norske Veritas performs ISM Code inspections of our ships' quality systems. When ships or offices report critical situations, accidents, non-conformances or possible improvements through our safety and improvement reporting system, a proper response is prepared and corrective and preventive actions implemented. During 2013, we have increased the number of management reviews to improve identification and follow up of needed improvements. We view this system as an effective tool in our work to increase safety and to prevent injuries, pollution, damage and loss.

The defined key performance indicators (KPIs) have been actively promoted, measured and followed up during 2013. Odfjell has also assumed project ownership for the 'Managing Operational Performance in Ship Management' project. Nine Norwegian shipping companies, Marintek and Deloitte have joined forces to further develop and benchmark ship management processes and supporting KPIs.

OUR TERMINALS

Our tank terminal activities are located along major shipping lanes and at important locations for petrochemicals, refined petroleum products, bio-fuels and vegetable oils. We focus not only on locations in mature markets, but also increasingly on ports which are growing in importance in selected rapidly developing nations. In addition to being profitable investments on a standalone basis, our tank terminals also offer cargo-consolidation programmes designed to reduce time and fuel consumption in port for our ships. Commercially, the combination of shipping and tank terminals puts Odfjell in a unique position to offer our customers increased safety, reliability, product stewardship, efficiency and improved arrival accuracy to its customers.

TANK STORAGE CAPACITY
(cbm)



5.4 MILLION
cbm storage capacity

1,451
tanks of storage capacity

TANK TERMINALS IN
23 PORTS

TANK TERMINALS

Odfjell has 11 operational part owned tank terminals at strategic locations around the world. In addition the Company has a terminal currently under construction, and a projected terminal, both in China. The Company also has a co-operation agreement covering 11 tank terminals in South America, plus one in Canada. These tank terminals are partly owned by related parties. In total, our tank terminal network has more than 1,000 employees and 5.4 million cbm of storage space in 1,451 tanks in 23 ports around the world. Together with our shipping business, this makes the Company one of the world's leaders for the transportation and storage of bulk liquids.

We have a strategy of expanding our tank terminal activities along major shipping lanes and at important locations for petrochemicals, refined petroleum products, bio-fuels and vegetable oils. We focus not only on locations in mature markets, but also increasingly on ports which are growing in importance in selected rapidly developing nations. In addition to being profitable investments on a stand-alone basis, our tank terminals also offer cargo-consolidation programmes designed to reduce time and fuel consumption in port for our ships. Commercially, the combination of shipping and tank terminals puts Odfjell in a unique position to offer our customers increased safety, reliability, product stewardship, efficiency and improved arrival accuracy. We are experiencing a steady increase in demand for cargo consolidation as a result of the industry's ongoing pursuit of efficiency improvements along the entire supply chain.

HIGHLIGHTS – BUSINESS DEVELOPMENTS

The divestment of 49% of Odfjell's interest in Odfjell Terminals AS (OTAS), the holding company for practically all of Odfjell's tank terminals activities, was completed in June 2013. Odfjell and Lindsay Goldberg LLC now have joint control over the terminal activities worldwide through their joint investment in Odfjell Terminals AS.

During 2013, Odfjell completed construction of a tank terminal in Charleston, USA. The project involved a total investment in excess of USD 90 million to establish an initial storage capacity of 79,491 cbm.

The construction of our new terminal in the Bohai Bay region near Tianjin, China, (through our joint venture with Tianjin Economic-Technological Development Area) started in 2012. As at the end of 2013, the jetty infrastructure has been completed, and three tank pits comprising 137,800 cbm are nearing completion.

In December, Odfjell Terminals finalised the acquisition of a 50% interest, from the Founder Group, in an existing company holding land and an existing jetty in Quanzhou, Fujian Province, China. It is the intention to construct a new tank terminal of about 184,000 cbm, which will be managed and operated by Odfjell Terminals. Currently, feasibility studies and engineering are underway to prepare for construction to start during 2014.

In July, 2013, Odfjell Terminals and Grand Port Maritime du Havre signed a Site Reservation Protocol for a plot of land in the Port of Le Havre, France, to develop a bulk liquid terminal. The first phase will consist of 150,000 cbm for storage of petrochemical and petroleum-related products. Upon successful completion of the basic engineering stage and a final investment decision, construction is expected to start in 2015. The terminal is forecasted to open in second half 2017.

In line with Odfjell Terminals' strategy, further terminal projects across the world are under evaluation.

ODFJELL TERMINALS (ROTTERDAM) BV, THE NETHERLANDS (OTR)

Located at the heart of Rotterdam harbour, the most important chemical distribution centre in Europe, OTR has a total gross storage capacity of about 1,636,100 cbm in 281 storage tanks. The tank terminal stores both chemicals and mineral oil products.

In addition to the storage business, the Rotterdam tank terminal also renders toll distillation services through its fully integrated business unit Odfjell Petrochemical Industrial Distillation (PID). PID controls a large share of the independent product distillation market in Northwest Europe, and operates four distillation columns with a combined total annual distillation capacity of 700,000 tonnes, depending on product streams. PID distils both petrochemicals and mineral oils.

The Odfjell Terminals Maritiem BV (OTM) site is located almost directly opposite OTR on the south bank of Rotterdam's main shipping artery Nieuwe Waterweg, surrounded by the port's largest global-scale refineries.

Overall, the Rotterdam tank terminal enjoys an extensive infrastructure, with five berths for deep-sea tankers, seven positions for short-sea vessels and 14 positions for barges. The terminal also has extensive facilities for handling trucks, ISO containers and rail cars. The site has its own wastewater treatment plant, which also serves third parties.

OTR is an important destination for Odfjell Tankers in the

Amsterdam-Rotterdam-Antwerp area, and our long-term objective is to consolidate the tank terminal as one of the primary hubs for Odfjell's shipping activities to and from Europe.

Since the safety shutdown in July 2012, OTR has brought a significant amount of tank capacity back into operation. At the end of 2013, 730,000 cbm was available for commercial service, out of a gross capacity approved for use of 1,040,000 cbm. The gross tank capacity that has not yet been approved for commercial use is awaiting the completion of engineering work before recommissioning will commence.

In 2013 the Dutch Safety Board issued its report on the safety performance of the terminal in the period 2000-2012. OTR has taken on board its recommendations, and in accordance with its commitment to Rotterdam Municipality, a number of important improvement measures have been implemented. During 2013, OTR has submitted an application for a renewed environmental permit.

For 2014, OTR will continue to focus on bringing tanks back into operation and also to improve processes and systems in order to further improve operational and safety performance. OTR continues to develop its long-term business plan. This plan will reflect the regulatory environment and addresses future business opportunities given the strategic location of the terminal.

NOORD NATIE ODFJELL TERMINALS NV, BELGIUM (NNOT)

The Noord Natie Odfjell Terminals, in which Odfjell Terminals acquired a 25% share in 2012, offers a unique combination of storage and related value-added services for several types of liquids. NNOT focuses mainly on bulk storage, with additional activities such as the blending, drumming, packaging and storage of packed liquids, as well as the storage of tank containers. The terminal has a strategic location in the Port of Antwerp with easy access to the sea, inland waterways, roads and railways.

The terminal boasts a wealth of experience in the storage, handling and packaging of commodities as well as niche market products. With 235 tanks and a total capacity of 325,000 cbm, NNOT provides storage and related activities for chemicals, liquids for human or animal consumption, mineral oils, base oil, oleochemicals and biofuels. NNOT offers a wide variety of tanks, ranging in size from 30 cbm to 8,300 cbm, made of different materials including mild steel, coated or stainless steel. The facility also offers a variety of different types of tank equipment, including insulation, steam heating, electrical heating or hot water heating, nitrogen installation and vapour return systems.

During 2013, NNOT completed 25,000 cbm of its in total 50,000 cbm expansion of storage capacity for one of its key long-term customers. The remaining 25,000 cbm will be available for commercial service from the second quarter 2014. Furthermore, NNOT owns additional land adjacent to the existing terminal and has plans for further expansion of up to 105,000 cbm of tank capacity.

ODFJELL TERMINALS (HOUSTON) INC, USA (OTH)

Houston is the major international hub for the import and export of chemicals to and from the USA. OTH is also the hub for Odfjell's global and regional trades to and from the US Gulf. The realisation of synergies is always a priority and the tank terminal has multiple shared customers with Odfjell Tankers, which demonstrates the benefit of cargo consolidation and expedited shipment for all parties.

The tank terminal in Houston was completed by Odfjell in 1983, and since the mid-1990s has undergone a considerable expansion. At the end of 2013 the tank terminal had 100 tanks with a total capacity of 331,334 cbm.

The tank terminal boasts one of the largest stainless steel storage capacities of any independent tank terminal in the world, in total 82,033 cbm. The facilities' unused land and existing infrastructure still offer scope for further expansion, with potential storage capacity of around 160,000 cbm in the existing area. OTH has commenced construction of a new bay comprising ten stainless steel tanks, with a combined capacity of 30,800 cbm, at its existing facility.

ODFJELL TERMINALS (DALIAN) LTD, CHINA (OTD)

OTD started operation in 1998, but was relocated from its original site to Dalian New Port in Xingang in 2007. In combination with the relocation, the tank terminal increased its capacity to over 51 tanks, bringing total capacity to 119,750 cbm. The stainless steel capacity is 18,350 cbm. In recent years, the tank terminal has delivered a strong performance on the back of the expansion of petrochemical activities in Northeast China. The tank terminal has four berths for sea-going tankers with up to 50,000 dwt capacity. The location is well connected by rail to the vast hinterland of Northeast China, and the tank terminal handles impressive volumes via its rail facilities, which can manage up to 120 rail wagons concurrently.

Odfjell Terminals holds 50% of the shares in Odfjell Terminals Dalian, while Dalian Port Company Ltd (PDA), a company listed in Hong Kong, is the other shareholder in the company. Odfjell and PDA have also jointly established a training academy for terminal operators for operations in China.

ODFJELL TERMINALS (JIANGYIN) LTD, CHINA (OTJ)

OTJ is located in the Jiangyin Economic Development Zone on the south bank of the Yangtze River, approximately 150 km west of Shanghai and 12 hours by ship upriver from the estuary. The 99,800 cbm terminal became operational in late 2007 and has excellent facilities for handling a wide range of petrochemicals from ships, barges and trucks. OTJ comprises 22 tanks. The stainless steel capacity is 30,000 cbm. The terminal has the largest jetty on the Yangtze River at its disposal. In total there are eight berths for the handling of deep-sea tankers, coasters or barges. OTJ can accommodate up to 50,000 dwt ships.

ODFJELL TERMINALS (KOREA) CO LTD, SOUTH KOREA (OTK)

OTK is strategically located in Onsan, the most important petrochemical distribution and transhipment hub in Northeast Asia. Odfjell is a major carrier of bulk liquid chemicals into and out of Korea, with a significant number of port calls and transhipment operations in the region. The tank terminal entered operation in 2002 and has 85 tanks, with a total storage capacity of 313,710 cbm. After completing a significant expansion in 2009, OTK further expanded its capacity by 63,120 cbm in 2011.

The most sophisticated terminal in Onsan, OTK has a 15,860 cbm stainless steel capacity. The tank terminal owns and operates six berths with user rights to another two berths that can handle vessels of up to 80,000 dwt. OTK also has modern drumming facilities for break bulk operations. The tank terminal has land for future expansion.

Odfjell Terminals holds 50% of the shares, while local partner Korea Petrochemical Ind. Co. Ltd (KPIC) owns 43.6%. The remaining 6.4% shareholding is held by two other Korean companies.

OILTANKING ODFJELL TERMINAL SINGAPORE PTE LTD, SINGAPORE (OOTS)

As one of the busiest ports in the world, Singapore plays a major role in the distribution of petrochemicals in Southeast Asia. Singapore also has a high concentration of refinery capacity, as well as large and diversified chemical production facilities. Further growth is secured through the port's prime location, good infrastructure and a stable economy and business climate. OOTS is located on Jurong Island, where most of Singapore's development of petrochemical industry is concentrated.

The tank terminal became operational in 2001. The total current capacity is 365,051 cbm in 79 tanks, varying from 800 cbm to 18,000 cbm. The stainless steel capacity is 13,520 cbm. OOTS has three deep-sea jetties. The berths can accommodate double-banking and board-to-board cargo transfers as well as delivery of bunker fuels from shore tanks. The tank terminal also performs operational management and has access to two additional berths. The terminal has land available for further expansions.

The flexible storage and transfer services offered by the tank terminal, along with excellent marine facilities, provide a good platform for Odfjell to further develop a hub for global and regional shipping services in Southeast Asia. The tank terminal is a 50/50 joint venture between Odfjell Terminals and Oiltanking.

OILTANKING ODFJELL TERMINALS & CO LLC, OMAN (OOTO)

Sohar Industrial Port is located in Oman, outside the Strait of Hormuz, and only a few hours drive from the petrochemical industry in United Arab Emirates and Saudi Arabia. The port is home to a refinery and several global-scale petrochemical complexes. This development is being driven by the desire of the Sultanate of Oman to exploit the nation's gas reserves and create a strong 'value-added process economy' as opposed to an energy export economy.

OOTO has exclusive rights to manage six liquid berths and provides bulk liquid storage within Sohar Industrial Port. Based on the requirements of the captive industry in Sohar and a growing regional market for the storage of chemicals and mineral oils, OOTO has expanded over the past five years into a terminal with 66 tanks and overall capacity of 1,294,780 cbm. Odfjell Terminals holds a 29.75% shareholding in OOTO. The company is jointly managed by Odfjell and Oiltanking.

VOPAK TERMINAL NINGBO, CHINA (VTN)

This tank terminal started operation in 1994. Located close to Shanghai, Ningbo is a key port for importing chemicals to the central east coast of China. The terminal serves ships, barges, rail cars and trucks, and currently has a capacity of 71,050 cbm. Odfjell has a 12.5% shareholding in the tank terminal. The other shareholders are Vopak, Helm AG and the local port authorities.

EXIR CHEMICAL TERMINAL (PJSCO), IRAN (ECT)

Exir Chemical Terminal (PJSCO) is a joint venture between Odfjell (35%), Oiltanking (35%) and Nuian, a private Iranian investor (30%), and is the first independent tank terminal for bulk liquid chemicals in Iran.

ECT is strategically situated in the Petrochemical Special Economic Zone (PETZONE) in the port of Bandar Imam Khomeini. The terminal is connected by pipelines to jetties in the PETZONE, and has a capacity of 45,000 dwt. The terminal consists of 18 tanks, in total 22,000 cbm, and has been operational since January 2010.

TANK TERMINALS PARTLY OWNED BY RELATED PARTIES, SOUTH AMERICA

The tank terminals partly owned by related parties first became operational in Buenos Aires in 1969. Today, they consist of 11 tank terminals spread along the coasts of

Brazil, Argentina, Chile and Peru, with a strong market position for chemical storage in the region. The Odfjell family owns these terminals privately and has its operational headquarters in São Paulo.

The six Brazilian tank terminals are located in Santos, Rio Grande, Triunfo, São Luis, Teresina and Corumba. Argentina is home to two tank terminals, one in Buenos Aires and the other, a state-of-the-art terminal in Campana, about 80 km upriver from Buenos Aires. The Chilean tank terminals are located in San Antonio and Mejillones, and the Peruvian terminal in Callao.

The tank terminals partly owned by a related parties' network in South America are also expanding. Projects are under way to increase the capacity at existing terminals, as well as the construction of new terminals.

These extensive tank terminal activities in South America provide an excellent complement to Odfjell's frequent and traditionally strong shipping activities within the region. Where practical, shipping and storage services are marketed from shared offices, facilitating logistical solutions as comprehensive as required by our customers.

TANK TERMINALS *)	FIGURES IN	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Gross revenue	USD million	129	145	227	245	248	232	180	152	132	130
Operating result before depreciation and gain (loss) on sale of fixed assets (EBITDA)	USD million	22	27	96	110	109	95	74	58	48	49
Operating result (EBIT)	USD million	(72)	(8)	62	75	68	68	54	51	33	29
Total assets	USD million	685	833	1 092	987	691	634	481	340	286	312
Total tank capacity	1 000 cbm.	4 575	4 551	4 221	3 732	3 719	3 100	2 553	2 256	2 256	2 256

*) Reflection of actual ownership share

OUR RESPONSIBILITIES

We aim to achieve sustainable development for our stakeholders such as investors, customers, employees and the local communities in which the Company operates by balancing financial results and corporate social responsibility. Safety is paramount and we actively promote a sustainable and proactive quality, health, safety and environmental (QHSE) culture.

THE GLOBAL COMPACT
WE SUPPORT

11,000

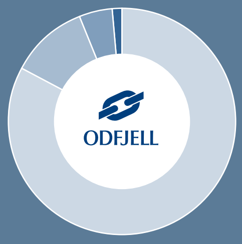
training days for mariners

9.2%

CO_2 REDUCTION LAST FIVE YEARS

GRAM CO_2 PER TONNE TRANSPORTED 1 KM

(comparison of average Odfjell vessel
versus transportation mode)

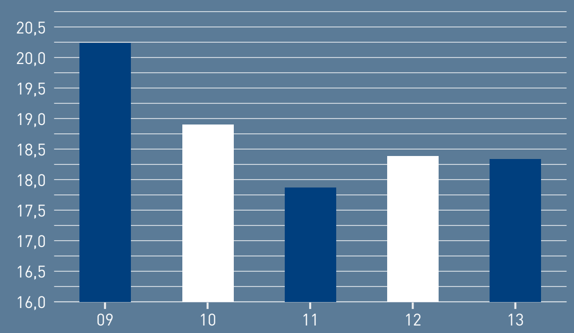


- 673 Cargo aircraft
- 91 Heavy duty vehicle
- 38 Freight train (diesel)
- 10 Average Odfjell vessel

Source: Odfjell

EEOI TREND FOR THE ODFJELL FLEET

Gram CO_2 emitted per tonne cargo transported 1 nautical mile



Source: Odfjell

SUSTAINABILITY REPORT

Odfjell aims to achieve sustainable development for its stakeholders, such as investors, customers, employees and the local communities in which the Company operates, by balancing financial results and corporate social responsibility. Safety is paramount and the Company actively promotes a sustainable and proactive quality, health, safety and environmental (QHSE) culture. Several programmes and initiatives have been started in 2013, the most important being a Roadmap to Operational Excellence and a Leadership and Followership Development Programme.

CORPORATE SOCIAL RESPONSIBILITY – CSR

CSR Council

In 2011 Odfjell signed up to the UN Global Compact programme, and a Corporate Social Responsibility Council was established to facilitate an implementation of the United Nations' ten principles within the areas of human rights, labour rights, environment and anti-corruption. Besides the main council, four sub-councils related to each of these areas have also been established.

In March 2012 Odfjell submitted its first 'Communication on Progress' report, which is an annual submission outlining the Company's work to implement the ten principles and making this information available to stakeholders. The Communication on Progress reports can be viewed at www.odfjell.com.

MARITIME ANTI-CORRUPTION NETWORK (MACN)

Odfjell became a member of the Maritime Anti-Corruption Network in August 2013. The Maritime Anti-Corruption Network is a global business network working towards a maritime industry free of corruption, thus enabling fair trade for the benefit of society at large. Established in 2011 and formalised in 2012, MACN comprises vessel-owning companies and other related companies, including cargo owners and maritime service providers.

QUALITY, HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION (QHSE)

General

No fatalities were recorded in 2013. The Lost Time Injury Frequency (LTIF) indicator for Odfjell-managed ships was 1.37, compared with 1.21 in 2012. The LTIF for the terminals was 0.29, compared with 1.33 in 2012, which was a significant improvement.

Several measures were introduced in 2013. These included Lock Out Tag Out (LOTO) for ships managed by Odfjell, a pollution protection plan, emergency response team training, competence improvement, safe driving, eye protection and fall protection training.

In the shipping division, Odfjell in the Philippines arranged nearly 11,000 course days for more than 4,100 participants, including non-Philippines nationals within the Company. About 3,000 course-days were performed in-house and roughly 8,000 externally. Out of the 3,000 internal course days, 665 covered the newly developed Leadership and Followership Development Programme, which was attended by 138 participants in 2013. A total of around 2,200 training days were arranged in the terminal division.

Operational excellence

Maintaining a high QHSE performance is very important to the Odfjell Group, and several activities have been started and added to our current systems in support of this aim. A key activity is an initiative named Roadmap to Operational Excellence, whose goal is to bring our operation and QHSE performance to a higher level.

We aim to become a more proactive company by managing risks, sharing information and learning from our mistakes. By focusing on developing the right competence, skills and attitudes, and thereby improving our potential to do the right things correctly, we can make considerable progress towards reaching operational excellence.

Odfjell Safety Day

One of the activities in the operational excellence initiative is to arrange an Odfjell Safety Day to be held on the first Wednesday in November each year. The first Odfjell Safety Day was held on 6 November 2013. The primary focus for the 2013 Safety Day was the use of personal protective equipment for on-site workers on terminals and ships, and general safety behaviour for office personnel.

Odfjell's corporate values

This initiative, started late in 2013 and based on feedback from our organisation, was initiated as one of several action points in our 'Roadmap to Operational Excellence'. All employees were invited to contribute in establishing the corporate values, by completing a questionnaire.

Corporate QHSE audits

Corporate QHSE conducts system audits on operational and staff units to ensure compliance with corporate and management-level requirements and guidelines, promote a robust QHSE culture and raise standards. 18 audits were carried out in 2013, while 31 are planned for in 2014. In addition to the corporate audits, internal, external and customer audits are conducted in the operative units. These additional audits are mainly triggered by regulatory requirements or requirements linked to certificates or contracts. No audit resulted in the withdrawal or suspension of certificates or contractual cancellations in 2013.

Piracy

Piracy has become a permanent concern for international shipping, with Nigeria and Somalia as the main focal areas. 2013 saw no successful hijackings by Somali-based pirates. Suspicious approaches continue to be reported in the Gulf of Aden, the southern Red Sea, and off the East African, Yemeni and Omani coastlines. Privately contracted security personnel are therefore still being used during transit through these areas.

ENVIRONMENT

Carbon Disclosure Project (CDP)

In 2013 Odfjell's response to the annual CDP covered the shipping business, Company headquarters and the terminals in Rotterdam and Houston. The results of our input to the Carbon Disclosure Project were published at the end of 2013. The survey is based on 2012 figures. For 2013 our score decreased from 68 to 66 - the average for our industry is 70. The main reason for the slightly below-average rating is that our response was not verified by a third-party. The emission level based on 2013 figures represents a reduction of 10% compared to 2012. Most of the reduction is explained by a decrease in the fleet size.

Energy saving campaign

The energy saving campaign launched, first time in September 2012, has provided valuable input on how further energy optimisation can be achieved in our Company.

Environmental impact of the Odfjell fleet

In 2013 the Odfjell fleet reduced its consumption of marine fuel oils by 53,000 tonnes (10%) compared to 2012. In terms of CO_2 emissions, this represents a reduction of 165,000 tonnes.

The fleet consumed 514,000 tonnes of fuel, of which 21,000 tonnes were distillates. Although most of the reduction from 2012 to 2013 can be explained by a decrease in fleet size, 7,500 tonnes is attributable to lower daily shipboard fuel consumption. Based on the consumption of 95 vessels, total emissions of CO_2 in 2013 amounted to 1,580,696 tonnes, a 10% decrease compared to shipping-related emissions in 2012. Total emissions of SO_x decreased by 19% to 22,335 tonnes, reflecting a reduction in the fuel's sulphur content.

All fuel purchased by Odfjell is tested by third-party companies. Test results of the fuel purchased in 2013 show an average weighted sulphur content of 2.22%, compared with 2.44% in 2012. The global limit in 2013 was 3.5%.

SO_x emissions

Based on all consumption in 2013 (both in port and at sea), Odfjell's vessels emitted on average 0.26 grams per tonne cargo transported one nautical mile. This is slightly below the 2012 level, which was 0.27 grams per tonne.

CO_2 emissions

In 2009 IMO's Marine Environment Protection Committee circulated guidelines for voluntary use of an Energy Efficiency Operational Indicator (EEOI), defined as the amount of CO_2 emitted per unit of transport work. Since 2008 Odfjell has calculated the EEOI at ship and fleet level. The calculations are performed in accordance with IMO MEPC Circular 684. Including fuel consumption both in port and at sea, the EEOI for the Odfjell fleet was 18.34 grams of CO_2 per tonne cargo transported one nautical mile (g/tnm) in 2013.

Speed/consumption reduction scheme

In 2013 Odfjell Tankers operated between 40 and 50 ships in slow or ultra-slow speed mode. This generated a net fuel saving of about 78,000 tonnes, corresponding to emission savings of approximately 243,000 tonnes of CO_2, and 866 tonnes of SO_x.

External weather routing

Advanced weather routing services have been in use since 2009, both for our owned fleet and for time-chartered ships. 825 sea voyages were subject to external weather routing in 2013. Following the route optimisations for these voyages the ships reduced their time at sea by a total of at least 65 days. This equates to a fuel saving of approximately 1,500 tonnes, which in turn is equivalent to about 4,600 tonnes of CO_2.

Intermediate hull cleaning and propeller polishing

Hull cleaning and propeller polishing are normal parts of ordinary dry-docking work. However, Odfjell has established procedures to enable ships to undergo hull cleaning and propeller polishing in between scheduled dry-dockings as well. All Odfjell operated ships, both time-chartered and owned, are being closely monitored, and based on the performance observed, cleaning intervals have been shortened significantly in 2013.

Ship Energy Efficiency Management Plan (SEEMP)

In 2012 Odfjell, in close cooperation with DNV, developed an SEEMP for its owned fleet. The ship-specific SEEMPs were rolled out to the vessels during 2013, and include EEOI benchmarking for each ship, ship class and within the entire Odfjell fleet. The EEOI section also includes variables that affect the EEOI. Monitoring of such variables makes it possible for specific counter measures to be implemented if a negative energy efficiency trend is observed. This section is updated on a quarterly basis to all vessels, including the time-charter fleet.

Tank cleaning and chemical treatment

Odfjell Tankers is continuing to develop efficient tank cleaning methods that meet the highest industrial standards. Various cleaning detergents and methods have been tested. In 2013 we focused intently on monitoring special cargo handling and tank cleaning operations, in order to reduce amount of energy used for this purpose. We have also conducted several courses for onshore and sea-going personnel, with special attention on the use of energy in cargo handling and tank cleaning operations.

Fleet Performance Group

Odfjell has a dedicated Fleet Performance Group, which supervises voyage optimisation and ocean routing, tracks the fleet, collects, validates and analyses the vessels' speed, fuel consumption and emissions on a daily basis through a comprehensive performance system.

ODFJELL-MANAGED SHIPS

In 2013 Odfjell implemented several measures to secure a sustainable safety performance. The LTIF indicator for Odfjell-managed ships was 1.37 in 2013, compared with 1.21 in 2012, while the Total Recordable Case Frequency was 3.82. The target values are 1.2 and 4.0 respectively.

Odfjell Ship Management holds an ISO 14001 certification, which covers 43 ships under own management. All relevant environmental considerations are identified, and key issues are listed and followed up in a health, safety, security and environmental (HSSE) programme.

The following technical projects reduce environmental impacts beyond the minimum requirements stipulated in current regulations:

Bilge water treatment plants (oily water separators)

In order to reduce the oil content in the bilge water, 25 ships have been upgraded with the installation of a highly effective oily water separator. The MARPOL requirements stipulate that the water discharged overboard should not contain more than 15 ppm (parts per million). The units which are installed in the ships give a result of only five ppm. This programme is continuing in 2014.

Ship recycling – Green Passports

Odfjell recycled four ships in 2013. To secure a controlled process the Company has a programme in place which includes obtaining Green Passports for ships well ahead of their normal retirement age. The programme meets the requirements of IMO Resolutions A 962 and 179 and is certified by Lloyds. The Company is making good progress in implementing these IMO resolutions and the programme is continuing with five ships in line to obtain certification. A Green Passport requires the mapping of materials that could impact the environment. It also requires follow-up from the recycling yard. The yards used are inspected by Odfjell to ensure they are ISO 30000 certified and comply with relevant IMO guidelines and Odfjell's in-house requirements.

Pollution protection plan

The main purpose of the project is to ensure that all vessels take action in accordance with the Environmental Management System (EMS), to prevent any unauthorised connection and discharge by by-passing of the approved oily water discharge system. This is to avoid any intentional or unintentional discharge of polluting substances at sea. The project started late 2013, and eight vessels were completed.

Newbuilding programmes

During 2013 Odfjell took delivery of the third new chemical tankers of 9,000 dwt each, and one of 75,000 dwt. In 2014 Odfjell will take delivery of four chemical tankers of 46,000 dwt each. Moreover, Odfjell has contracted four new 17,000 cbm LPG/Ethylene carriers with options for up to four additional ships. The ships that have been delivered and contracted are all ECO-designs, providing significant savings in both fuel consumption and emissions. Furthermore, the ships are designed with the latest available technology and modern equipment, including ballast water treatment systems to avoid distribution of microorganisms to marine environments around the world.

Other important safety activities:

Leadership and Followership Development Programme

In 2013 Ship Management has focused on the roles and responsibilities of both leaders and followers in the development of a sound safety culture. The Leadership and Followership Development Programme therefore encompasses all Odfjell seafarers.

Implementation of LOTO system

During 2013 all Odfjell-managed vessels have been equipped with a system for locking and tagging electrical, high-power, rotating, hot or similar hazardous equipment while work is ongoing. The system is called Lock Out Tag Out (LOTO). The system consists of procedures to ensure that processing facilities, power sources or equipment is properly secured, insulated and/or put out of operation and not restarted until service or maintenance work has been completed.

TANK TERMINALS

For the terminals (operated and managed by Odfjell), the LTIF for 2013 is down to 0.29, compared with 1.33 in 2012. This is a significant improvement. The current programme for 'lessons learned' will be continued in 2014 to share information and enhance experience transfer.

Reportable spills (over five litres) outside the primary containment area fell by 52%, from 93 in 2012, to 45 in 2013. Reported near misses and non-conformances rose slightly in 2013 compared with 2012. Odfjell strives to promote a good reporting culture, and this also involves encouraging more active use of our experience feedback system.

During 2013 we have carried out corporate QHSE audits at our operated and/or managed terminals to verify compliance with our corporate internal and external regulatory requirements. The audits are part of the efforts to build in a good QHSE culture and achieve operational excellence.

Americas:
No LTIs occurred at our terminal in Houston (OTH) during 2013. The number of spills (over five litres) was reduced by almost 16% compared to 2012. The number of near misses and non-conformances fell by 21% compared with 2012.

At the end of 2013 the construction of the new terminal in Charleston (OTC) was completed and operations started. No LTIs occurred during the construction of the terminal, which is a great achievement.

Europe:
During 2013 there were no LTIs for Odfjell Terminals (Rotterdam) (OTR). The number of spills (over five litres) fell by 59% compared to 2012.

2013 was a challenging year for OTR. Following the shutdown in July 2012, OTR management recommissioned 126 out of a total of 281 tanks. This represents a volume of 1,040,000 cbm available for operation, compared with a nameplate capacity of 1,636,100 cbm. All tanks were tested and certified for operation by Risk Based Inspection according to EEMUA 159 requirement. A roadmap for the complete recommissioning of the terminal is currently being drawn up.

In June 2013, the Dutch Safety Board issued its report following the investigation of incidents at OTR during the period 2000-2012. Publication of the report resulted in significant media attention. The report recommended improving the safety culture and the integrity of the safety systems at the site.

To further improve OTR's safety performance in the short and longer term, the management has offered the authorities additional assurances. These include a pledge that OTR will apply the best available technology in connection with new projects. Additional safety officers and an independent safety auditor has been appointed to ensure safe operations. The management team also undertook to issue a request for renewal of the operating permit. Furthermore, a dedicated operational excellence team was formed to improve the management systems and work processes. All commitments are in agreement with the authorities.

OTR management focuses continuously on the development and maintenance of a professional organisation that ensures safe and reliable operations. Together with the entire workforce, management is eager to achieve improved operations based on system integrity, effective and efficient work processes and safety leadership.

Asia:
At the Chinese terminals, Odfjell Terminals Dalian (OTD) and Odfjell Terminals Jiangyin (OTJ), no LTIs occurred in 2013. No spills (over five litres) were reported at these terminals in 2013.

At Odfjell Terminals Korea (OTK) one LTI was reported in 2013. Near-miss and non-conformance reporting at the Asian terminals remained constant in 2013.

In Tianjin Odfjell is constructing a new terminal (ONTT). Construction started in 2012, and it is expected that the terminal will go into operation at the end of 2014. Up until now no incidents have occurred during the construction of this terminal.

Middle East:
In the Middle East, Odfjell has a terminal together with Oiltanking in Oman (OOTO). There was one LTI at OOTO in 2013. During the year OOTO reported 12 spills (over five litres) and 56 near misses and nonconformances.

Health, safety and environmental projects
All the terminals have implemented various projects designed to improve safety performance and reduce their environmental impact.

Training
All the terminals focused on environmental and safety training during 2013. A total of around 2,200 training days were arranged in the terminal divisions in 2013. Topics included risk assessment, root cause analysis, LOTO, the correct use of personal protective equipment, fire-fighting and emergency response.

Certificates
OTR has not completed the process of renewing its ISO certificates. This has been postponed to 2014. The other terminals, managed and operated, have the necessary certificates including ISO 9001, ISO 14001, Responsible Care 14001, OHSAS 18001, CDI-T attestation and ISPS code.

OTJ was recertified to ISO 14001, ISO 9001 and OHSAS 18001.

OTH carried out the annual surveillance of ISO 9001 and the RC 14001/ISO 14001 recertification audits.

OTK was CDI-T accredited and performed surveillance audits for ISO 9001 and 14001.

OOTO was audited against ISO 9001, 14001 and 18001.

CORPORATE GOVERNANCE

Odfjell SE, which is the parent company in the Odfjell Group of companies (the Group), is established and registered in Norway and is governed by Norwegian law, including laws and regulations pertaining to companies and securities. The Group has the objective of complying with all relevant laws and regulations in all jurisdictions it operates in, as well as the Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES) on 23 October 2012 (the Code of Practice).

The Company's Board of Directors has on 12 February 2014 approved the Corporate Governance Policy as the Company's policy for sound corporate governance in accordance with the Code of Practice. This statement is in compliance with the Corporate Governance Policy approved by the Board of Directors.

REGULATIONS

The Company is a SE company (Societas Europaea) subject to the Norwegian Act no. 14 of 1 April 2005 relating to European companies. The Company is listed on the Oslo Stock Exchange, and is thus subject to Norwegian securities legislation and stock exchange regulations.

In connection with this, the Company is subject to the requirements for good corporate governance which follow from the Public Limited Companies Act of 1997, the Securities Trading Act of 2007 and the Stock Exchange Act of 2007.

REPORTING ON CORPORATE GOVERNANCE

The framework for corporate governance is the Norwegian Code of Practice for Corporate Governance of 23 October 2012. The Code is based on a 'comply or explain' principle, which means that possible deviations from the Code shall be explained.

Odfjell is committed to ethical business practices, honesty, fair dealing and compliance with all laws and regulations affecting our business. This includes adherence to high standards of corporate governance. Odfjell's corporate social responsibility policy also encompasses a strong focus on quality, health, safety and care for the environment as well as human rights, non-discrimination and anti-corruption. The Company has its own Corporate Code of Conduct that addresses several of these issues. All Odfjell employees are obliged to comply with the Corporate Code of Conduct.

The following describes Odfjell's compliance procedures in respect of each of the elements of the Norwegian Code of Practice for Corporate Governance, including explanation of any deviations.

THE COMPANY'S BUSINESS ACTIVITIES

Article 3 of Odfjell's Articles of Association states: The object of the Company is to engage in shipping, ship agency, tank terminals, real estate, finance and trading activities, including the transportation of freight in the Company's own vessels or chartered vessels, the conclusion of freight contracts, co-ownership agreements and cooperation agreements, ownership and operation of tank terminals, as well as investment and participation in other enterprises with a similar object and other activities related thereto.

The other articles may be found on the Company's homepage: www.odfjell.com. The Company's Mission Statement and strategy can be found on page 3 and 9 of this Annual Report.

EQUITY AND DIVIDENDS

Equity

Odfjell shall maintain an equity base deemed sufficient to support the Company's objectives and strategy, and to be able to withstand a prolonged period of adverse market conditions. The normal target is that the equity ratio for the Group shall remain between 30 and 35% of total assets. The Group had book equity of USD 759 million as of 31 December 2013 which corresponds to an equity ratio of 32.2%.

Subscription rights

There are currently no outstanding subscription rights as of 31 December 2013.

Dividend policy

Odfjell aims to provide competitive long-term return on the investments for its shareholders. The Company embraces an investor-friendly dividend policy. The goal is to provide semi-annual dividend payments.

Mandates granted to the Board of Directors

According to the Norwegian Code of Practice for Corporate Governance mandates granted to the Board of Directors to increase the Company's share capital shall be restricted to defined purposes. Mandates granted to the Board shall be limited in time to no later than the date of the next Annual General Meeting.

Power of Attorney to the Board of Directors to increase the share capital

The Board has not been assigned authority to issue new shares. Any such mandate must be approved by the General Meeting and shall be limited in time until the next Annual General Meeting.

Power of Attorney to acquire own shares

The Extraordinary General Meeting on 2 October 2012 authorised the Board of Directors to acquire treasury shares with a total nominal value of NOK 43,384,474. However, the Company may not at any time own more than 10% own shares. The minimum and maximum price that is payable for the shares is respectively NOK 2.50 and NOK 250. This authorisation expires on 2 April 2014.

Share option scheme

No option scheme has been established. Share option schemes shall be approved by the General Meeting.

EQUAL TREATEMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

Class of shares

The Company's share capital is NOK 216,922,370, divided between 65,690,244 class A shares each with a nominal value of NOK 2.50, and 21,078,704 class B shares each with a nominal value of NOK 2.50. The Company's shares shall be registered with the Norwegian Central Securities Depository (VPS).

Only holders of class A shares shall have voting rights at Annual and Extraordinary General Meetings, however in certain circumstances also B shares have voting rights. In all other respects, the two classes of shares are equal, and have the same rights to dividends. In the event of bonus issues, holders of class A shares shall be entitled to new class A shares and holders of class B shares shall be entitled to new class B shares unless otherwise decided by the General Meeting.

The existence of two classes of shares is due to historical reasons, but this is no longer a very common practice on the Oslo Stock Exchange. As a result the Board has initiated an evaluation of the legal and regulatory issues related to converting into one single class of shares. Any change of share structure would require majority vote in both share classes.

Transactions in own shares

Any transactions carried out by the Company in own shares shall be conducted over the Oslo Stock Exchange or at prevailing prices if carried out in any other way. Such transactions will be reported to the Oslo Stock Exchange and to the wider market through stock exchange releases and press releases.

Transactions with close associates

Any material transaction between the Company and any shareholder, Board Member, member of Management or any related party of these shall be reviewed by an external third party before being concluded. This does not apply for any agreement approved by the General Meeting according to the Norwegian Public Limited Liability Companies Act. Independent valuations shall also be obtained in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

Members of the Board of Directors and Management shall in advance notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company. In this case they are not eligible to participate in the discussions.

The Board has established a policy in respect of share trading. The policy is in line with the Guidelines for Insiders issued by the Oslo Stock Exchange and applies to all employees who in connection with their work may gain access to price sensitive non-public information.

FREELY NEGOTIABLE SHARES

The Company's shares are listed on the Oslo Stock Exchange and are freely negotiable. There is no form of restriction on negotiability included in the Company's Articles of Association. The Board is not aware of any agreements that may secure any shareholder beneficial rights to own or trade shares at the expense of other shareholders. The shares are registered in the Norwegian Central Securities Depository (VPS).

THE GENERAL MEETINGS OF SHAREHOLDERS

The Board is responsible for convening both Annual and Extraordinary General Meetings. The Company shall arrange for the Annual General Meeting to be held within six months of the end of each financial year. Extraordinary General Meetings may be called in accordance with the provision of the Norwegian Limited Liability Companies Act.

The General Meeting shall elect a Chairman of the Meeting. Traditionally the Chairman of the Board has also chaired the General Meetings.

The Chairman of the Board, representatives of the Board, the nomination committee and the Company's auditor and representatives from the Management shall participate in the Annual General Meeting.

The Annual General Meeting represents an important venue for the Board to meet and discuss with shareholders face-to-face and to decide on important issues such as dividend payments, election and re-election of Board Members and the appointment of the auditor.

The notice convening the meeting and other documents regarding the General Meeting shall be available on the Company's website no later than 21 days before the date of the General Meeting. The notice shall provide sufficient information on all resolutions to be considered by the General Meeting, voting instructions and opportunities to vote by proxy.

When documents concerning matters that are to be considered by the meeting have been made available to the shareholders on the Company's website, the requirement of the Norwegian Public Limited Liability Companies Act that the documents be sent to shareholders does not apply. This also applies to documents that are required by law to be included in or enclosed with the notice of the General Meeting. A shareholder may nonetheless ask to have documents sent that concern matters to be considered by the General Meeting. Shareholders who wish to attend the General Meeting must notify the Company no later than five days before the General Meeting. It is possible to register for the Annual General Meeting by mail, e-mail or fax.

Matters discussed at the General Meeting are restricted to those set forth in the agenda.

The following matters shall be the business of the Annual General Meeting:

1. Adoption of the annual accounts and the Board of Directors' report

2. Application of any profit for the year or coverage of any loss for the year in accordance with the adopted balance sheet, and the declaration of dividend

3. Election of members of the Board of Directors

4. Adoption of the remuneration of the Board of Directors

5. Any other matters that by law or pursuant to the Company's Articles of Association or as stated in the notice of the Annual General Meeting.

The Board and the person that chairs the General Meeting shall organize the election of Board Members in such a manner that the shareholders can vote on each of the proposed candidates separately.

Proposals that shareholders wish the General Meeting to consider must be submitted in writing to the Board of Directors in sufficient time to be included in the notice of the General Meeting.

Nomination committee

The Company has a Nomination Committee. The General Meeting shall elect the Committee Chairman and members, determine their remuneration and determine guidelines for duties of the Committee.

BOARD OF DIRECTORS - COMPOSITION AND INDEPENDENCE

The Company's Management is organised in accordance with a single-tier system and it shall have an administrative body (Board of Directors).

The Company's Board of Directors shall consist of between five and seven members.

The Annual General Meeting shall elect the Board. The Board elects the Chairman of the Board. Board Members shall be elected for two years at a time.

The Company has no corporate assembly. The interests of the employees are upheld through an agreement between the employees and Odfjell concerning the involvement of employees. The employees have established a permanent Employee Representative Body. The Employee Representative Body consists of up to six representatives, partly from the tank terminal in Rotterdam, the main office in Bergen and the Officers' Council.

Employee involvement at corporate level and in most subsidiaries abroad is also secured by various committees and councils, in which Management and employee representatives, both onshore personnel and seafarers, meet to discuss relevant issues.

The Board shall be composed such that it can act independently of special interests. The majority of the Board Members shall be independent of the Management and important business connections and no member of Management shall be a Board Member. In addition, at least two of the Board Members shall be independent of the Company's principal shareholders, i.e. shareholders that own more than 10% of the Company's shares or votes.

Since 6 May 2013 the Board has comprised Laurence Ward Odfjell (Executive Chairman), Bernt Daniel Odfjell, Christine Rødsæther, Åke Gregertsen, Irene Waage Basili and Jannicke Nilsson. The Chairman, Laurence Ward Odfjell, has been assigned special tasks by the Board, and consequently acts as Executive Chairman. Laurence Ward Odfjell and related parties control a significant shareholding in Odfjell SE. Åke Gregertsen, Christine Rødsæther, Irene Waage Basili and Jannicke Nilsson are independent Board Members. Even though Åke Gregertsen does not meet all the requirements for independence in the Norwegian Corporate Governance Board (NUES), he performs his duties independently as Board Member. The Company believes that the Board is well positioned to act independently of the Company's Management and exercise proper supervision of the Management and its operations. The annual report contains a presentation of the Board of

Directors and details of the shareholdings of all Directors, as well as information on the expertise and capacity of the Board Members.

Four of the existing Board Members are up for election at the 2014 Annual General Meeting. The proportionate representation of gender of the Board is within the legislated target.

THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors shall produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation.

The Company shall be led by an effective Board with collective responsibility for the success of the Company. The Board represents and is responsible to the Company's shareholders.

The Board's obligations include strategic management of the Company, effective monitoring of the Management, control and monitoring of the Company's financial situation and the Company's responsibility to, and communication with, the shareholders. Ultimately the Board is responsible for determining the Company's objectives, and for ensuring that necessary means for achieving them are in place. The Board of Directors also determines the Company's strategic direction and decides on matters that are of significant nature in relation to the Company's overall activities. Such matters include confirmation of the strategic guidelines including any changes to the strategic business model, approval of the budgets as well as decisions on major investments and divestments. Furthermore, the Board ensures a correct capital structure and defines the dividend policy. The Board also appoints the President/CEO and determines his/her remuneration.

The Board shall ensure that the Company is well organised and that its activities are managed in accordance with the relevant laws and regulations, the Company's objectives pursuant to the Articles of Association and the applicable guidelines set by the shareholders through the General Meeting. It is the responsibility of the Board to ensure that the Company, its management and employees operate in a safe, legal, ethically and socially responsible manner. To emphasise the importance of these issues, a company specific corporate social responsibility policy and a code of conduct are in place and apply to all throughout the organisation. The Code of Conduct focuses on aspects of ethical behaviour in day-to-day business activities. The Company also adheres to the UN Global Compact and reports its Corporate Social Responsibility performance accordingly.

The Board shall perform the reviews which it deems necessary to perform its tasks. The Board shall also perform reviews that are requested by one or more Board Members.

Members of the Board of Directors shall notify the Board in advance if they have any direct or indirect material interest in any transaction to be entered into by the Company. In this case they are not eligible to participate in the discussions. A deputy Chairman shall be elected to function as Chairman of the Board when the Chairman of the Board cannot or should not lead the Board's work.

The Board shall plan its work as well as the work of Management through the integrated management cycle. The roles of the Board and the CEO are separate and the allocation of responsibilities specified in writing through existing chart of authorities and job descriptions.

Each year the Board shall evaluate its performance over the previous year. The Board shall evaluate its own efforts, the performance of the Committees and the individual Board Members. In order for the evaluation to be effective, the Board shall set objectives at both collective and individual levels which the performances shall be measured against. The results from the evaluation will not be made public, but shall be available to the Nomination Committee.

The Board had eight ordinary meetings and ten extraordinary meetings in 2013, with 93.5% Director attendance. The Board has carried out a self-assessment of its work.

Audit Committee

The Audit Committee is elected by the Board and consists of minimum two Board Members; currently Åke Gregertsen and Jannicke Nilsson. The Audit Committee reports to, and acts as a preparatory and advisory working committee for, the Board.

The establishment of the Committee does not alter the Board's legal responsibilities or tasks.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board shall ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. Internal controls and the systems should also encompass the Company's corporate values and ethical guidelines.

The risk management process and the system of internal control of Odfjell shall be robust enough to ensure safe, controlled, legal and ethical business conduct and operations in all its activities around the world.

Business strategies are prepared at regional level and are approved by the Board. In addition, there are annual budgeting and strategic planning processes. Financial forecasts are prepared every quarter. Actual performance is compared to budget, latest forecast and prior year on a monthly basis. Significant variances are investigated and explained through normal monthly reporting channels.

The Company has established an organisation structure that supports clear lines of communication and accountability, and delegation of authority rules that specify responsibility.

The Company focuses strongly on regular and relevant management reporting of both operational and financial matters, both in order to ensure adequate information for decision-making and to respond quickly to changing conditions. Evaluation and approval procedures for major capital expenditure and significant treasury transactions are established.

The Board receives monthly reports on the Company's financial performance and status reports on the Group's key individual projects. The Group also regularly conducts internal audits of individual units' adherence to systems and procedures. The internal audit department provides additional assurance to the Board and the Audit Committee that key controls are operating as intended.

Financial performance is also reported on a quarterly basis to the Board and to the Oslo Stock Exchange.

Odfjell's Board is kept updated on Management and Company activities through reporting systems, including the monthly reports. A safety (QHSE) update is normally the first item on the agenda of all ordinary meetings of the Board of Directors.

Odfjell's Compliance Officer monitors that the Company acts in accordance with applicable laws and regulations, the Company's Code of Conduct and ensures that the Company acts in an ethical and socially responsible way. Particular focus shall be applied to competition law compliance, environmental licenses to operate, anti-corruption measures, and regular updates on new rules and regulations are issued to all relevant personnel in order to ensure continuous compliance. The Compliance Officer reports directly to the President/CEO.

The Company is also subject to external control functions including auditors, ship classification societies, customer vettings, port and flag state, and other regulatory bodies including the IMO.

BOARD MEMBERS' REMUNERATION

Remuneration to Board Members shall be determined by the shareholders at the General Meeting. The Nomination Committee shall provide recommendations to the General Meeting for annual remuneration to all Board Members. Board Members are encouraged to own shares in the Company, and can be paid part of their remuneration in shares.

Remuneration of the Board Members is decided by the Annual General Meeting. Members of the Board do not take part in any incentive or share option programmes. The remuneration of the Board of Directors is not linked to the Company's performance. Board Members of the companies they represent are not supposed to take on assignments for the Company.

MANAGEMENT REMUNERATION

Pursuant to Section 6–16 a) of the Norwegian Public Limited Companies Act, the Board of Directors has issued a statement regarding the establishment of salaries and other remuneration for the Management. The statement is disclosed in note 23 to the annual accounts and as a separate document to be presented to the Annual General Meeting.

INFORMATION AND COMMUNICATION

Through its Corporate Governance Policy, the Board has implemented guidelines for disclosure of Company information. The reporting of financial and other information will be based on openness and equal treatment of all participants. The Company provides shareholders and the market as a whole with information about the Company. Such information takes the form of annual reports, quarterly reports, stock exchange bulletins, press releases, information on the Company website and investor presentations when appropriate. The Company seeks to treat all shareholders equally in line with applicable regulations. Information distributed through the Oslo Stock Exchange, or otherwise in press releases, is published simultaneously on the Company's website: www.odfjell.com. The Company aims to have regular presentations. The financial calendar is available through stock exchange announcements and on the Company's website.

Open investor presentations are held at least twice a year in connection with Odfjell's quarterly reports. The President/CEO reviews and makes comments on results, market developments and prospects. Odfjell's Senior Vice President Finance/CFO also participates in these presentations. The presentations of the annual and quarterly reports are published via Oslo Stock Exchange and posted on the corporate website at the same time as they are presented. The annual and mid-year results are presented in a live presentation, whereas reports following publication of first and third quarter results are made available through webcasts. Odfjell also maintains an ongoing dialogue with, and make presentations to selected analysts and investors. Care is taken to secure impartial distribution of information when dealing with shareholders, investors and analysts.

The Board shall ensure that the Company's quarterly and annual financial statements provide a correct and complete picture of the Group's financial and business position, including the extent to which operational and strategic goals have been achieved.

TAKE-OVERS

During the course of any take-over process, the Board and Management shall use their best efforts to ensure that all the shareholders of the Company are treated equally. The Board shall also use its best efforts to ensure that sufficient information to assess the takeover bid is provided to the shareholders.

In the event of a take-over bid for the shares in the Company, the Board shall not seek to prevent or obstruct take-over bids for the Company's activities or shares, unless there are particular reasons for such actions. The Board shall not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the General Meeting following announcement of the bid. In particular, the Board shall in such circumstances not without the prior approval of the General Meeting (i) issue shares or any other equity instruments in the Company, (ii) resolve to merge the Company with any other entity, (iii) resolve on any transaction that has a material effect on the Company's activities, or (iv) purchase or sell any shares in the Company.

If an offer is made for the shares in the Company, the Board shall issue a statement evaluating the offer and make a recommendation as to whether the shareholders should accept the offer. If the Board finds itself unable to provide such a recommendation, it shall explain the background. The Board's statement on a bid shall make clear whether the views expressed are unanimous, and if this is not the case, it shall explain the basis on which members of the Board have excluded themselves from the Board's statement. The Board shall consider whether to arrange a valuation from an independent expert. If any member of the Board or the Management, or close associates of such persons, or anyone who has recently held such a position, is either the bidder or has a similar particular interest in the bid, the Board shall in any case arrange an independent valuation. This shall also apply if the bidder is a major shareholder in the Company. Any such valuation should be either attached to the Board's statement, be reproduced in the statement or be referred to in the statement.

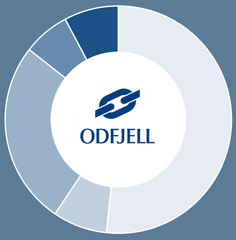
AUDITOR

The Company emphasises on keeping a close and open relationship with the Company's auditor. The auditor participates in Board meetings for approval of the annual accounts. The Company's auditor shall present an annual plan for its audit work to the Audit Committee. In addition the auditor shall present a review of the Company's internal control procedures, including identified weaknesses and proposed improvements. The Board shall at least yearly have a meeting with the auditor without the Management's presence. The auditor's fees for auditing and other services are presented to the Annual General Meeting and are included in the notes to the annual accounts. The Board continuously evaluates the need for written guidelines concerning the Odfjell Management Group's employment of the auditor for other services than audit. The Board believes that the auditor's independence of the Company's Management is assured. The auditor shall issue a written annual declaration confirming the auditor's independence.

In order to secure consistency in control and audits of the Group, Odfjell generally uses the same audit firm for all subsidiaries worldwide, and currently engages EY as the Company's independent auditor.

OUR FINANCIALS

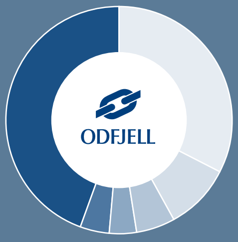
Our financial strategy shall be sufficiently robust to withstand prolonged adverse conditions, including long-term downturns in our markets or challenging conditions in the financial markets. We adopt an active approach to managing risk in the financial markets. Our aim is to provide a competitive long-term return on investments to our shareholders.



EMPLOYEES

- 1 739 Ship crew international
- 255 Ship crew Norwegian
- 876 Tank terminals
- 226 Head office
- 256 Branch offices abroad

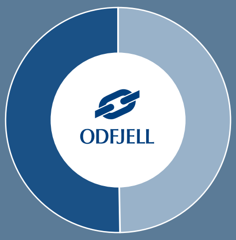
Total: 3 352



SHAREHOLDER STRUCTURE

- Norchem A/S (32.71%)
- Odfjell SE (9.47%)
- Svenska Handelsbanken AB (5.35%)
- JP Morgan Clearing Corp. (4.11%)
- Rederiet Odfjell AS (4.03%)
- Others (44.34%)

Source: VPS

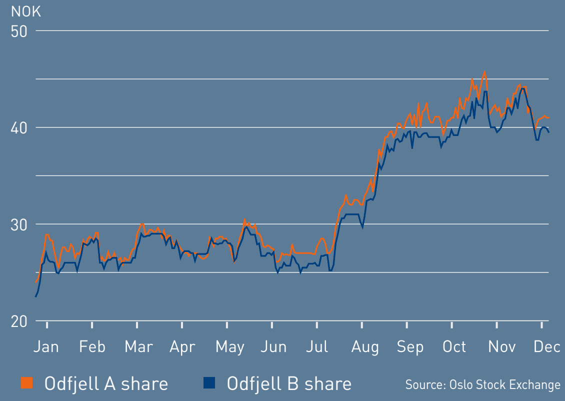


SHAREHOLDER CITIZENSHIP

- International shareholders (49.81%)
- Norwegian shareholders (50.19%)

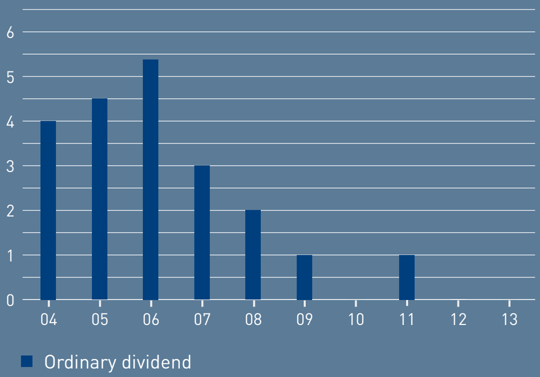
Source: VPS

DEVELOPMENT ODFJELL SHARES 2013



Source: Oslo Stock Exchange

DIVIDEND PER SHARE (NOK per year of payment)



SHAREHOLDER INFORMATION

Odfjell's aim is to provide a competitive long-term return on the investments for its shareholders. The Company embraces an investor-friendly dividend policy. The goal is to provide semi-annual dividend payments. We comply with the code of practice for reporting and information advised by Oslo Børs.

SHARE PERFORMANCE

At the end of 2013 the Company's A shares were trading at NOK 41 (USD 6.74), up 71% from NOK 24 (USD 4.29) at year-end 2012. The B shares were trading at NOK 39.50 (USD 6.50) at the end of 2013, up 74% from NOK 22.70 (USD 4.06) 12 months previously.

By way of comparison, the Oslo Stock Exchange benchmark index increased by 21% and the transportation index by 52% during the year. Odfjell had a market capitalisation of NOK 3,905 million (USD 642 million) as at 31 December 2013. Given the poor 2013 results and the importance of maintaining strong liquidity going forward, the Board does not recommend payment of any ordinary dividend for 2013.

TRADING VOLUMES

In 2013 about 21.1 million Odfjell shares were traded, broken down between 13.2 million A shares and 7.9 million B shares. This represents about 24% of the issued and outstanding shares. At year-end 2013 Odfjell had outstanding 65.7 million A shares and 21.1 million B shares.

SHAREHOLDERS

At the end of 2013 there were 1,231 holders of Odfjell A shares and 571 holders of Odfjell B shares. The total number of shareholders was 1,509, reflecting that some shareholders own shares in both classes.

INVESTOR OWNERSHIP

53.7% of the Company's A shares and 37.6% of the B shares were held by international investors at the end of the year, equivalent to 49.8% of the total share capital.

TREASURY SHARES

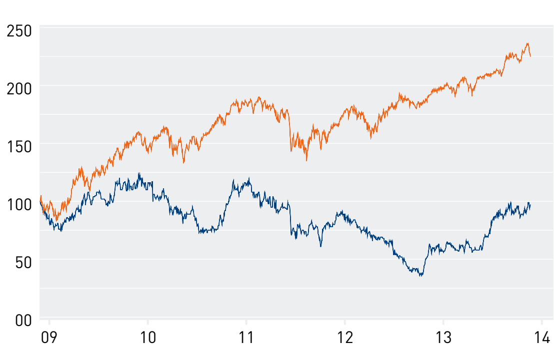
At the end of 2013 Odfjell SE owns 5,891,166 A shares and 2,322,482 B shares as treasury shares, which is 9.5% of the total outstanding shares.

The Extraordinary General Meeting on 2 October 2012 authorised the Board of Directors to acquire treasury shares of up to 10% of the Company's outstanding shares, at a minimum price of NOK 2.50 (par value) and a maximum price of NOK 250 per share. This authorisation expires on 2 April 2014.

INVESTOR RELATIONS

Provision of accurate and timely information is of vital importance in order to create credibility and confidence. Our policy is to provide the market with all relevant information in line with statutory regulations and the recommendations

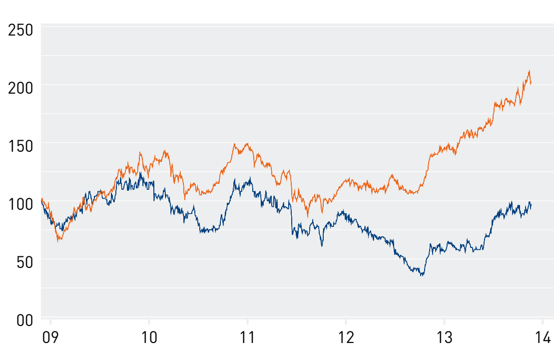
SHAREPRICE INDEX VERSUS OSEBX



— Odfjell A share
— Oslo Stock Exchange Benchmark Index

Source: Oslo Stock Exchange

SHAREPRICE INDEX VERSUS TRANSPORTATION INDEX



— Odfjell A share
— Oslo Stock Exchange Transportation Index

Source: Oslo Stock Exchange

of the Oslo Stock Exchange. We attach great importance to ensuring that shareholders receive swift, relevant and correct information about the Company. Our aim is to provide a good understanding of the Company's activities and its prospects so that shareholders are in a good position to assess the share's trading price and underlying value. For more information, please see page 36 under Corporate Governance.

THE FINANCIAL CALENDAR FOR 2014/2015 IS AS FOLLOWS:

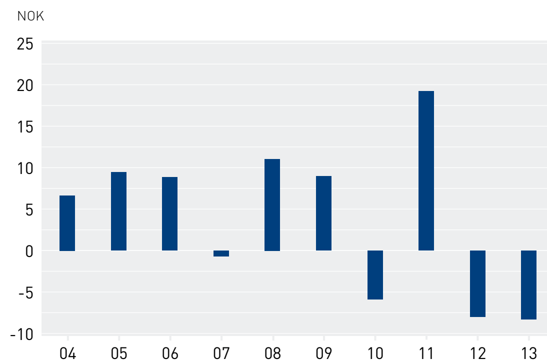
1st quarter 2014 report	8 May 2014
2nd quarter 2014 report	21 August 2014
3rd quarter 2014 report	13 November 2014
4th quarter 2014 report	12 February 2015

The Annual General Meeting is scheduled for 7 May 2014.

Please note that the financial calendar is subject to change. Changes will be reported to the Oslo Stock Exchange.

Supplementary information may be found on www.odfjell.com

EARNINGS PER SHARE



SHARE CAPITAL HISTORY

YEAR	EVENT	AMOUNT IN NOK	SHARE CAPITAL AFTER EVENT
1914	Established	517 500	517 500
1969	Capitalisation bonus issue	382 500	900 000
1969	Merger with A/S Oljetransport	900 000	1 800 000
1981	Capitalisation bonus issue	1 800 000	3 600 000
1984	Capitalisation bonus issue	3 600 000	7 200 000
1985	Merger with Skibsaksjeselskapet Selje	3 320 000	10 520 000
1985	Merger with Odfjell Tankers & Terminals A/S	2 000 000	12 520 000
1985	Capitalisation bonus issue	6 260 000	18 780 000
1986	Public offering	9 390 000	28 170 000
1986	Capitalisation bonus issue	2 817 000	30 987 000
1988	Capitalisation bonus issue	6 197 400	37 184 400
1989	Capitalisation bonus issue	7 436 880	44 621 280
1989	International private placement	10 000 000	54 621 280
1990	Capitalisation bonus issue	54 621 280	109 242 560
1994	Capitalisation bonus issue	109 242 560	218 485 120
2000	Private placement	49 267 340	267 752 460
2001	Redemption of treasury shares	(13 657 500)	254 094 960
2002	Redemption of treasury shares	(25 409 490)	228 685 470
2003	Redemption of treasury shares	(11 763 100)	216 922 370
2004	Share split 2:1	0	216 922 370
2005	Share split 2:1	0	216 922 370
2006–2013	No events	0	216 922 370

FINANCIAL RISK MANAGEMENT AND SENSITIVITIES

With the global market as its arena, Odfjell is exposed to a number of risk factors. Our financial strategy shall be sufficiently robust to withstand prolonged adverse conditions, including long-term downturns in our markets or challenging conditions in the financial markets. Odfjell adopts an active approach to managing risk in the financial markets. This is achieved through funding from diversified sources, maintaining high liquidity or credit reserves, and through systematic monitoring and management of financial risks related to currencies, interest rates and bunkers. Hedging instruments are used to reduce the Company's exposure to fluctuations in the above-mentioned financial risks. At the same time, it may limit Odfjell's upside potential from favourable movements in these risk factors. The Company also closely monitors the risk related to market valuation of the hedging instruments and the effect this has on the equity ratio.

EARNINGS

Earnings within the chemical tanker markets are less volatile than in many other shipping segments, since these are niche markets with specialised tonnages. The diversity of trade lanes and the products we transport provide some natural hedging against the negative impact of a general slowdown in demand. Our time-charter earnings are influenced by external factors such as global economic growth, the general ship-freight market, bunker prices and factors specifically related to the chemical tanker trade, such as cargo type and cargo volume, trading pattern required by our customers, contract and spot rates and our operational efficiency. Time is of the essence, and optimal utilisation of the fleet and an expedient composition of cargoes, with minimal time in port, is of vital importance in order to maximise time-charter earnings.

The largest single cost component affecting time-charter earnings is bunkers. In 2013 this amounted to more than USD 282 million (57.3% of voyage costs). A change in the average bunker price of USD 50 per tonne equals about USD 27 million per year (or USD 916 per day) change in time-charter earnings for those ships where we have a direct economic interest. A certain portion of our bunker exposure is hedged through bunker adjustment clauses in the Contracts of Affreightment. As at 31 December 2013, the Company had hedged about 20% of its 2014 bunker exposure, through swaps and options at an average price of about USD 547 per tonne.

Sensitivity analyses show that a change in time-charter earnings of USD 1,000 per day for our chemical tankers (a roughly 5% change in freight rates after voyages costs) will impact the pre-tax net result by approximately USD 24 million. The Company is not currently engaged in the derivative market for Forward Freight Agreements.

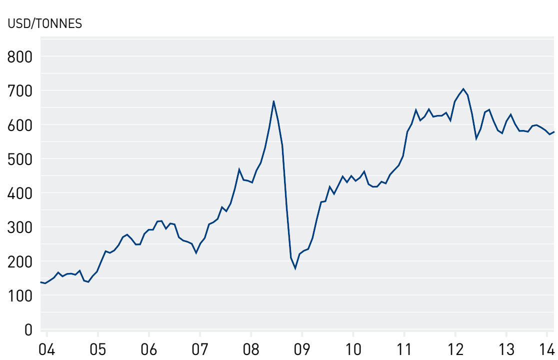
Tank terminal activities have historically shown more stable earnings than our shipping activities. With the issues facing Odfjell Terminals (Rotterdam), 2012 and 2013 have been exceptions to this. Odfjell's 51% ownership share in our tank terminal holding contributed a negative EBIT (operating result) of USD 71.9 million, including impairment of USD 81.3 million gross. A substantial part of the tank terminal costs are fixed costs, and the main drivers for earnings within a tank terminal are the occupancy rate, the volume of cargoes handled through and by the terminal, and operational efficiency.

The Odfjell Gas segment was established in the autumn of 2012. Start-up expenses and a soft market resulted in a negative EBIT of USD 5.5 million in 2013.

INTEREST RATES

All interest-bearing debt, except debt borne by tank terminals outside the USA, is denominated in USD. Interest

BUNKERS (3.5% BARGES ROTTERDAM)



Source: Bloomberg

INTEREST RATES (USD 3 MONTH LIBOR)

Source: Bloomberg

rates are generally based on USD LIBOR rates. With our current interest rate hedging in place, about 32% of our loans were at fixed interest rates at year end. In order to reduce the volatility of the net result and cash flow deriving from changes in short-term interest rates, interest rate periods on floating rate debt and on liquidity are managed to be concurrent. Total interest-bearing debt as at 31 December 2013 was USD 1,350 million, while liquid assets amounted to USD 162 million.

CURRENCY

The Group's revenues are primarily denominated in USD. Tank terminals outside the USA and our regional European shipping trade generate income in non-USD currencies. Our currency exposure relates to the net result and cash flow from voyage-related expenses, ship-operating expenses and general and administrative expenses denominated in non-USD currencies, primarily the NOK and EUR. We have estimated that a 10% decrease of the USD against the NOK would reduce the pre-tax 2013 result by around USD 10 million, ignoring the effect of any currency hedging in place.

Our currency hedging at the end of 2013, under which the Company sold USD and purchased NOK, covers about 35% of the Company's 2014 NOK-exposure. Future hedging periods may vary depending on changes in market conditions. The average USD/NOK exchange rate for open hedging positions at 31 December 2013 for 2014 was 6.3.

FINANCING AND LIQUIDITY

Odfjell has a stable debt structure, and borrows from major international shipping banks with whom the Company enjoys long-standing relationships. The Company has a diversified debt portfolio comprising a combination of secured loans, export credit finance, finance leases and unsecured bonds. Although our experience is that funding is available to Odfjell from various sources, including the banks and the bond market, the general trend in the financial market is towards medium-term loans, as long-term funding is less available and more expensive. As a consequence, we pay continuous attention to the timely refinancing of maturing debt. The average maturity of the Group's interest-bearing debt is about 4.2 years.

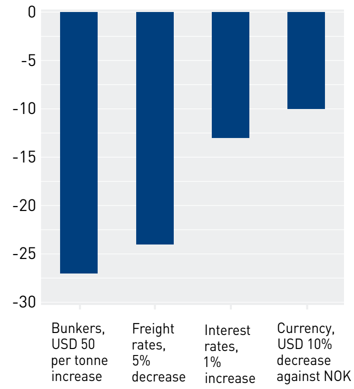
Odfjell's strategy is to maintain a high level of readily available liquidity. This liquidity is invested in bank deposits and high-grade bonds and certificates with variable interest rates.

TAX

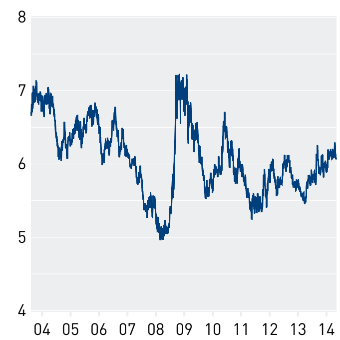
The Odfjell Group operates within a number of jurisdictions and tax regimes, including the Norwegian tonnage tax system, the Approved International Shipping system in Singapore and the tonnage tax systems in the UK. In addition we operate under local tax systems in Chile, Brazil and Bermuda. Our tank terminal activities are generally subject to the ordinary corporate tax rates within the country in which the activity is located.

SENSITIVITY

USD MILLION



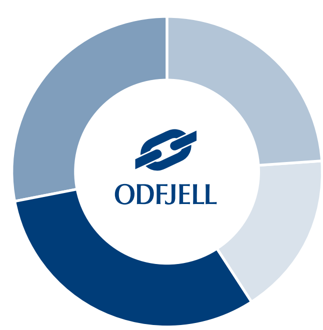
USD/NOK



Source: Bloomberg

COST ANALYSIS

The major cost components of a typical large Odfjell chemical tanker



- 17% Other voyage costs
- 24% Bunkers
- 28% Capital expenses
- 31% Operating and general administration costs

OUR
WORLDWIDE ACTIVITIES

Dalian
Tianjin
Seoul
Ulsan
Tokyo
Jiangyin
Shanghai
Ningbo
Fujian
BIK
Dubai
Oman
Mumbai
Manila
Singapore
Durban
Melbourne
INTERNATIONAL OFFICES
ODFJELL TERMINALS
TANK TERMINALS PARTLY OWNED BY RELATED PARTIES
TERMINALS UNDER CONSTRUCTION
TRADE LANES

ODFJELL 100 years

THE DIRECTORS' REPORT 2013

In 2013 the consolidated net result amounted to a loss of USD 108 million, compared to a loss of USD 111 million in 2012. In 2013 Odfjell recognised an impairment of gross USD 81 million related to Odfjell Terminals (Rotterdam), and USD 8.6 million in capital losses related to sale of ships and also capital gains related to terminal transactions of USD 24.5 million, whereas the 2012 result included USD 4.6 million in capital losses related to sale of ships. Total assets by year-end amounted to USD 2,360 million down from USD 2,569 million at the end of 2012. The Company's consolidated result before taxes in 2013 was a loss of USD 114 million, compared to a loss of USD 111 million in 2012. The Board is disappointed with the results. However, given the Company's relatively robust standing after five years of a poor chemical tanker market, we have demonstrated the resilience of our combined shipping and storage business model over time, and in a cyclical business, we have seen again the importance of continuous focus on maintaining sufficient liquidity reserves.

Odfjell's net result was impacted by continued material losses at Odfjell Terminals (Rotterdam), and still loss making performance for our chemical tanker business. The Company realized a capital gain related to the Lindsay Goldberg terminal transaction completed in June. The majority of the tank terminals continued to deliver stable and satisfactory results with good growth prospects.

The market for our chemical tankers picked up in the first half of 2013, but only with small improvements in our time-charter earnings. There were encouraging developments in some trades, but as the product tanker market also remained weak through most of the year, we faced increased competition in certain segments from the product tanker fleet. The bunker expenses increased slightly in 2013 with annual average spot prices at continued high levels. This was only partly offset through bunker hedging and escalation clauses in contracts. Contracts of Affreightment continued to be renewed at higher rates. The contract coverage for the year has on average been around 55% of total volume shipped.

Net tonnage growth during the year for the chemical tanker fleet as a whole was 1.3%, while the core chemical deep-sea fleet grew by about 1.6%. This constitutes the most moderate fleet growth since the early 1990s. The order book for the core chemical deep-sea fleet is at the time of writing about 10% of current fleet, and slightly higher for the stainless steel segment at about 12.5%. Although increasing slightly, the chemical tanker growth rate is expected to remain relatively low also the next few years. Forecast net core chemical deep-sea fleet growth for 2014 and 2015 is now on average about 2.8% per year.

US shale gas and tight oil have revitalised the country's chemical industry, with both cheap feedstock and energy fuelling a competitive edge. We expect this to have a positive impact on our segments in the medium to long term, by boosting the amount of cargoes in the market, sailing distances and demand for storage. Based hereon and the still favourable supply/demand picture, we expect a slow but steady increase in demand for our services. The number of contracts for construction of new chemical tankers is picking up, but the order book for the core chemical segment remains moderate, although cash rich private equity has started to enter this space.

Our fleet consisted of 83 vessels at the beginning of 2014, including owned, time-chartered, commercially managed units, and ships managed on a pool basis. As part of our ongoing fleet renewal programme, two vessels were sold for recycling and additionally two were sold for continued trading. A further seven time-charter vessels were redelivered to their respective owners, in addition to redelivery of the 13 NCC vessels from the discontinued NOCT pool.

The Company took delivery of two newbuildings, whilst we acquired two second-hand chemical tankers and took on a total of ten modern ships on shorter time-charters, partly to replace the NOCT pool ships.

In September 2013 we signed shipbuilding contracts with Nantong Sinopacific Offshore & Engineering Co., Ltd for construction of four LPG/Ethylene carriers of each 17,000 cbm. We also secured options for delivery of up to four additional ships of same or larger size. Today Odfjell Gas is operating two modern LPG/Ethylene carriers of each 9,000 cbm. The newbuildings on order represent an important element of our long-term strategy to grow and become a significant owner and operator in the gas market. We are now assessing various sources of finance for the order of the four 17,000 cbm LGP/Ethylene vessels, and are also evaluating potential sources of financing to fund further growth of our LPG/Ethylene activities, including partnership with industrial or financial stakeholders.

The four 46,000 dwt coated chemical tankers on order at the Hyundai Mipo Dockyard in South Korea will be delivered in the period March-July 2014. These vessels represent an important element of Odfjell's fleet renewal programme, and feature eco-friendly and fuel-efficient design.

Our tank terminal business continued to deliver stable earnings, with the exception of Odfjell Terminals (Rotterdam), which also in 2013 suffered big losses following the temporary shutdown of the terminal in July 2012.

Our tank terminal projects, including development of new terminals in Charleston, South Carolina, USA, and Nangang, near Tianjin, China progressed well and within contingency margins of schedule and budgets. The new terminal in Charleston was technically completed end of 2013 and first contracts commenced in January 2014.

In May we announced the signing of the final agreements with Lindsay Goldberg LLC for expansion of our existing joint venture to include essentially all of Odfjell's tank terminal business. The transaction will enable us to jointly continue our ambitious and accelerated growth strategy within the terminal division.

In December, Odfjell Terminals acquired from the Founder Group a 50% interest in an existing company holding land and an existing jetty in Quanzhou, Fujian Province, China. Our intention is to construct a new tank terminal of about 180,000 cbm, which will be managed and operated by Odfjell Terminals.

Since 6 May 2013 the Board has comprised of Laurence Ward Odfjell (Executive Chairman), Bernt Daniel Odfjell, Christine Rødsæther, Irene Waage Basili, Jannicke Nilsson and Åke Gregertsen. The Audit Committee has consisted of Board Directors Åke Gregertsen (chair) and Jannicke Nilsson, and the Nomination Committee has since the same date consisted of Arne Selvik (chair) and Board Directors Christine Rødsæther and Laurence Ward Odfjell.

CORPORATE SOCIAL RESPONSIBILITY

A clear policy and commitment to Corporate Social Responsibility (CSR) is becoming increasingly more important for Odfjell and many of our stakeholders. As a member of the United Nations Global Compact programme, we have a clear commitment as to adopting their principles for ethically sustainable operations with regard to human rights, labour conditions, environmental concern and anti-corruption. We report progress and plans to the UN Global Compact secretariat on an annual basis. Our Corporate CSR Policy and Code of Conduct have been amended accordingly. In addition we have introduced a new Corporate Supplier Conduct Principles for third parties who want to do business with Odfjell and also signed up for a membership in an industry set-up named Maritime Anti-Corruption Network. A Council has been established to set directions and monitor progress in this area.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE)

We have maintained our strong focus on the environment with improved fuel efficiency and a subsequent reduction of emissions as the key areas. Progress is monitored through our participation in the Carbon Disclosure Project (CDP). The scope of reporting for CDP encompasses shipping, the terminals in Rotterdam and Houston, and the Bergen office. From the shipping activities there was a 10% reduction of CO_2 emissions in 2013 as compared to 2012 and a 19% reduction of SO_X. An energy saving campaign has also been running in 2013. The best of the many proposals received will be implemented in 2014. The Energy Efficiency Operational Indicator (EEOI), defined as the amount of CO_2 emitted per unit of transport work, for the Odfjell fleet was 18.34 grams of CO_2 per tonne cargo transported one nautical mile (g/tnm) in 2013, which is about the same level as in 2012. In 2013 Odfjell Tankers operated about half of our fleet in slow- or ultra-slow speed mode. This generated a net fuel saving of about 78,000 tonnes, corresponding to emission savings of approximately 243,000 tonnes of CO_2, and 866 tonnes of SO_X. Use of advanced weather routing is estimated to have contributed to emission savings of about 4,600 tonnes CO_2. Further, in 2013 Odfjell continued with hull cleaning and propeller polishing between scheduled dry-dockings. We have enhanced monitoring and intervals have been shortened. This, together with installation of propeller ducts on three additional ships in 2013, is expected to give further fuel reductions and subsequently lower CO_2, NO_X and SO_X emissions going forward.

We had in 2013 sadly one incident causing permanent disability. Our overall QHSE performance in 2013 showed improvement. As a sign of a healthier safety culture, more incidents with smaller consequences and near misses are now regularly reported both within our shipping and terminal divisions and with enhanced attention to follow up. Many of these incidents are reminders of the importance of having competent personnel and proper processes. Odfjell has therefore further increased focus on risk awareness, process safety, use of preventive barriers and enhancement of safety culture as part of a drive for a proactive QHSE culture. Odfjell Ship Management initiated a Safety Culture project in 2012 and this has continued throughout 2013. In addition a Safety Day was organized for all Odfjell employees for the first time in 2013, Leaderships and Followership training has been introduced and delivered for officers and relevant shore staff and last autumn the President/CEO launched a Roadmap to Operational Excellence initiative. In terms of personal safety indicators, our shipping-related Lost-Time Injury Frequency (LTIF) indicator is marginally up to 1.37 in 2013 from 1.21 in 2012. Odfjell Terminals' LTIF improved significantly to 0.30 in 2013 from 1.30 in 2012. These levels are historically low, but we are confident that our many improvement initiatives will further reduce LTIF.

Piracy activity remained low with no hijackings being reported in 2013 in the Gulf of Aden and the East Africa and Yemen/Oman offshore areas. But suspicious approaches were still reported and privately contracted security personnel therefore used in these areas. Piracy activity also continues in the Gulf of Guinea (West Africa) with violent attacks on ships, kidnapping of senior officers and theft of cargo. Boarding and robberies on board ships in East Asia, particularly in Indonesia have also become an increasing concern.

Odfjell Corporate QHSE conducts system audits on operative and staff units to ensure compliance with regulatory and corporate requirements and expectations. The audit programmes are important instruments with regard to ensuring that internal and external requirements are followed, and that we properly adapt and are compliant to the ever-increasing and changing regulatory demands of our complex industry. 18 audits were carried out in 2013. Our corporate internal audit programme is well implemented and several staff and overseas offices have been added to the scope of the 2014 programme. In addition to the corporate internal audit programme, internal and external audits are carried out at management and operational levels.

Odfjell sold four ships for recycling in 2013. To ensure a controlled process we are following recognised guidelines and are obtaining Green Passports for ships well in advance of the time when they are due to be phased out. The programme meets the requirements of IMO Resolutions A 962 and 179 as certified by Lloyds. A Green Passport requires mapping of materials and potential hazards on board that can impact the environment and working conditions associated to the recycling. It also requires follow-up with the recycling yard. We inspect the yards to be used to ensure they are ISO 30000 certified and comply with the applicable IMO guidelines and our own particular requirements as to QHSE standards.

2013 has been another challenging year for Odfjell Terminals (Rotterdam) (OTR), and we expect the situation to remain so into 2014. In June 2013 the Dutch Safety Board issued a report following their investigation into the incidents and activities at OTR for the period 2000-2012. This caused significant attention from media, politicians and the public. In addition to OTR, the report also contained recommendations for the roles of the authorities and other controlling entities. A number of activities including organisational restructuring have been initiated to mitigate risk, improve control and significantly improve the standard of OTR. These activities are all being made in co-operation with the authorities. Key issues to a sustainably safe performance are the implementations of preventive maintenance using a state of the art platform and an industry best practice safety management system. The terminal has also adopted a Risk Based Inspection system to validate mechanical integrity of tanks and is furthermore using a system for Reliability Based Mechanical Integrity on other systems.

CORPORATE GOVERNANCE

The framework for the Company's Corporate Governance is the Norwegian Code of Practice for Corporate Governance of 23 October 2012. Odfjell is committed to ethical business practice, honesty, fair dealing and compliance with all laws affecting our business. This includes adherence to high standards of corporate governance. The Board's statement regarding corporate governance is a part of the Group's annual report. Odfjell's Corporate Social Responsibility Policy also encompasses high focus on quality, health, safety and care for the environment as well as human rights, non-discrimination and anti-corruption. The Company has its own corporate Code of Conduct that addresses several of these matters. All Odfjell employees are obliged to comply with the Code of Conduct.

BUSINESS SUMMARY

We remain committed to our long-term strategy of enhancing Odfjell's position as a leading logistic service provider of ocean transportation and storage of bulk liquids and gases. By focusing on safe and efficient operation of a versatile and flexible fleet of global and regional chemical tankers and gas carriers, together with cargo consolidation at our expanding tank terminal network, we aim to further enhance product stewardship for our customers. The fleet is operated in complex and extensive trading patterns, whilst our customers demand safety, quality and the highest standards of service. Critical mass enables efficient trading patterns and optimal fleet utilisation.

Chemical Tankers

Gross revenues from our chemical tanker activities amounted to USD 1,028 million. EBITDA came in at USD 98 million, negatively impacted by high bunker costs, reduced utilisation and still unsustainable freight rates. EBIT ended with a result of USD 3 million, compared to a loss of USD 35 million in 2012. Total shipping assets at year-end amounted to USD 1,624 million. Time-charter income expressed in average USD per ship per day increased by about 1.3% compared to 2012.

Operation of chemical tankers is among the most complex in the marine industry. During 2013 our ships transported more than 500 different products comprising some 4,100 individual parcels. Unlike vessels in many other shipping segments, our ships have to call at a number of berths dictated by our customers, even within one and the same port. Calling many berths is time-consuming, fuel-inefficient and costly and thus, negatively impacts our results. Our aim is therefore to consolidate and make loading and discharging more time-efficient. We believe future successful consolidation of cargoes, combined with more time-efficient port operations, will benefit our customers, ourselves and, as an additional benefit, the environment.

We spent a total of USD 282 million on bunkers in 2013 and our average cost of bunkers in 2013 was still high at USD 556 per tonne (including compensation related to bunker escalation clauses and hedging), compared to USD 542 per tonne the preceding year. Bunker hedging mitigated this cost increase by contributing USD 5.9 million to the result in 2013. Daily operating expenses on a comparable fleet basis remained almost unchanged compared to 2012.

By year-end 2013 our deep-sea chemical tanker fleet consisted of 69 ships of more than 12,000 dwt, of which 30 were owned. The Company was also operating 12 smaller ships, ten of which were owned.

As part of our on-going fleet renewal programme, two vessels were sold for recycling whilst an additional two were sold for continued trading. All vessels sold for recycling had Green Passports, with the buyers being responsible to ensure that the recycling yard submitted a working plan in accordance with IMO guidelines for ship recycling. A further seven time-charter vessels were redelivered to their owners. The Company took delivery of two newbuildings, whilst it acquired two second-hand chemical tankers and took on a total of ten modern ships on shorter time-charters, all but two with stainless steel tanks.

After many years of co-operation, Odfjell Tankers and National Chemical Carriers (NCC) of Saudi Arabia agreed, effective 1 June 2013, because of different trading strategies going forward, to discontinue the joint pool of 40,000 to 45,000 dwt coated chemical tankers. However, we continue the joint pool agreement concerning our two 75,000 dwt vessels, i.e. Odfjell's Bow Pioneer and her sister vessel, owned by our partner.

In March the last vessel in a series of three stainless steel vessels of each 9,000 dwt was delivered from Chongqing Chuandong Shipbuilding Industry (CCSIC) in China.

In June we took delivery of Bow Pioneer, the world's largest fully IMO II chemical tanker. The vessel, which was delivered from Daewoo Shipbuilding and Engineering in South Korea, is 75,000 dwt and has 30 coated cargo tanks with a total cargo capacity of 86,000 cbm.

The four 46,000 dwt coated chemical tankers on order at the Hyundai Mipo Dockyard in South Korea will be delivered in the period March-July 2014. These vessels represent an important element of Odfjell's fleet renewal programme, and feature eco-friendly and fuel-efficient design.

In combination, and as an extension of our worldwide deep-sea service, our regional business activities encompass four distinct geographical regions. Our largest regional operation is in Asia, which represents a strategically important area for our storage and transportation business with significant new chemical production expected to come on stream in the years to come. We operate eleven ships in different trade lanes, covering the Singapore – Japan/ South Korea – Australia/New Zealand ranges.

Effective 1 January 2014, Odfjell and Euroceanica agreed to dissolve the pool of ice class stainless steel tankers trading in the Baltic, Northwest Europe and the Mediterranean. Odfjell Tankers will continue trading our vessels in this area under our former name 'Odfjell Tankers Europe AS'.

In South America, two Brazilian flagged ships are owned, managed and operated by our wholly owned Brazilian company Flumar. These ships are supplemented by ships and our deep-sea vessels trading in South America.

Finally, we also have a 50/50 joint venture in Chile with CSAV with two ships for transportation of mostly sulphuric acid for the mining industry along the west coast of South America.

Odfjell has been promoting high safety and enhanced efficiency standards concerning chemical tankers since the inception of the industry and thus, continues to take a proactive approach towards international regulatory bodies and major customers in order to further enhance safety. In this context, Odfjell continues to address key issues, such as the practice of tank inerting. Via Intertanko, we are also engaged in promoting implementation of a more cost-efficient and transparent regime of customers' ship inspection and vetting programmes, as these have now grown into often conflicting demands by customers for the same ship and crew.

In 2013 Odfjell Ship Management continued the efforts to develop a safety culture capable of taking our Health, Safety, Security and Environment performance (HSSE) to a sustainably higher level. We initiated a Safety Culture Project in 2012 and this has continued throughout 2013. In addition, a Safety Day was arranged for all Odfjell employees for the first time in 2013, Leadership and Followership training has been carried out and a Roadmap to Operational Excellence initiative started.

LPG/Ethylene

Gross revenues from our expanding LPG/Ethylene activities came in at USD 12 million, while EBITDA for 2013 were negative USD 3 million, down from USD 1 million in 2012. EBIT for 2013 amounted to negative USD 6 million, compared to a zero result the previous year.

In 2012, Odfjell re-entered the LPG/Ethylene market by the establishment of Odfjell Gas AS and the subsequent acquisition of the modern LPG/Ethylene carriers; Bow Guardian and Bow Gallant. Both vessels are currently trading spot in Asia and have so far performed technically in accordance with our expectations. The financial results however, have been weaker than expected due to the market conditions.

September 2013, Odfjell signed shipbuilding contracts with Nantong Sinopacific Offshore & Engineering Co., Ltd for construction of four LPG/Ethylene carriers of each 17,000 cbm. Deliveries are scheduled between October 2015 and May 2016. The contract price is in total in the region of USD 180 million. We have secured options for delivery of up to four additional gas carriers of same or larger sizes. This newbuilding order is an important step in our long-term strategy to grow and become a significant owner and operator in the gas market.

The purpose with the re-entry into the LPG/Ethylene market is to establish an additional business segment for Odfjell in an expanding market in which we have a long-standing association, and to leverage synergies with the Chemical Tankers and the Tank Terminals. Future demand, both for LPG and petrochemical gases, show continued growth potential.

Tank Terminals

Gross revenues from our expanding tank terminal activities came in at USD 129 million, while EBITDA for 2013 were USD 22 million, down from USD 27 million in 2012. EBIT for 2013 amounted to negative USD 72 million, compared to negative USD 8 million the previous year. Included in the 2013 EBIT is an impairment of gross USD 81 million recognised related to Odfjell Terminals (Rotterdam) (OTR).

At year-end 2013, the book value of our total tank terminal assets was USD 686 million, down from USD 1,062 million, including assets held for sale at the end of 2012. The main reasons for the decrease of the total assets are related to the reduced ownership shares in several terminals following the new joint venture with Lindsay Goldberg LLC, as well as the impairment related to OTR.

Odfjell's existing tank terminals are located in Rotterdam, Antwerp, Houston, Charleston, Singapore, Onsan in Korea, Sohar in Oman, BIK in Iran, and Jiangyin, Dalian and Ningbo in China. Additionally, we have a beneficial co-operation agreement with a related party that partly owns 12 tank terminals in South America and Canada.

The transaction for Odfjell to divest 49% interest in Odfjell Terminals AS, the holding company for substantially all of Odfjell's tank terminals activities was completed in November 2013 and Odfjell and Lindsay Goldberg have consequently from then on joint control over the terminal activities worldwide through our joint investment in Odfjell Terminals AS. Only Odfjell's small investments in BIK and Ningbo are not included in the joint venture.

Our tank terminal business continued to deliver stable earnings, with the exception of OTR, which also in 2013 ended with substantial losses following the temporary shutdown of the terminal in July 2012.

EBITDA at OTR on a 100% basis were negative USD 65.6 million in 2013, compared to negative USD 58.2 million in 2012.

In order to reflect the current and planned activities at the terminal, in line with commitments to the regional authorities and Rotterdam municipality, OTR has started the process of renewal of its environmental operating permit. The new permit will replace a number of existing licenses and cover the new regulatory requirements and future activities of the terminal. In order to more effectively implement the improvements at the terminal, we have decided to slow down the pace at which new capacity is brought on stream. Planned maintenance inspections will temporarily reduce the commercial available capacity. Occupancy by end of December was 72% of the commercially available capacity of 730,000 cbm, reflecting also a softer storage market on the European continent.

OTR reported substantial losses in 2013 due to reduced capacity and the ongoing challenges at the terminal over the last 18 months. While the long-term plans are being developed, substantial efforts will be made to improve the profitability of the terminal by bringing back further tank capacity in service and by adjusting the cost structure to the planned activity levels for the coming years. This first phase will focus on stabilising the current position, both operationally and financially.

In parallel OTR continues to develop a long-term business plan. This plan will reflect the new regulatory environment and addresses long-term business opportunities as a consequence of the terminal's strategic location, including a series of projects which are currently under evaluation. In view hereof, including expected reduced available capacity and throughput level at OTR in the coming years, we recognised in the fourth quarter an impairment of USD 76 million (net of tax income of USD 5 million) in respect of certain assets, including customer relations and goodwill.

Triggered by the lower business activity levels, OTR has initiated a process to reduce the workforce, and has initiated discussions with the trade unions and OTR's Works Council for this goal. The reorganisation is progressing towards a conclusion during 2nd quarter 2014.

OTR's results for 2014 will heavily depend on achieving the goals associated to the restart schedule, ongoing cost cutting initiatives, and to secure new customer contracts for the tank capacity that becomes available. Total investments at the terminal for the next four years will depend on the long-term business plan and the projects being developed.

During 2013, Odfjell Terminals completed construction of the tank terminal and the marine infrastructure in Charleston, USA. The project comprises of a total investment exceeding USD 90 million to establish an initial storage capacity of 79,491 cbm and a jetty capable of receiving ships up to 80,000 dwt.

The expansion project at Odfjell Terminals (Houston) of additionally 30,800 cbm stainless steel tanks is under construction and expected to be completed by end of second quarter 2014. When completed, the terminal will have a total capacity of 362,134 cbm.

The construction of the new terminal in the Bohai Bay region near Tianjin, China, (through a joint venture with Tianjin Economic-Technological Development Area, 'TEDA') started in 2012. As per the end of 2013, the jetty infrastructure was completed and three tank pits comprising 137,800 cbm are under construction, scheduled to be completed fourth quarter 2014.

In December, Odfjell Terminals acquired from the Founder Group a 50% interest in an existing company holding land and an existing jetty in Quanzhou, Fujian Province, China. It is the intention to construct a new tank terminal of about 184,000 cbm, which will be managed and operated by Odfjell Terminals. Currently, feasibility studies and engineering are underway to prepare for construction to start in the course of 2014.

During 2013, Noord Natie Odfjell Terminals in Antwerp, Belgium, completed 25,000 cbm of its in total 50,000 cbm expansion of storage capacity for one of its key long-term customers. The remaining 25,000 cbm will be available for commercial service from second quarter 2014 and will bring the total storage capacity of the terminal up to 350,000 cbm.

Odfjell Terminals' strategy is to continue its growth along the major shipping lanes and at important locations for petrochemicals, refined petroleum products, bio-fuels and vegetable oils. Odfjell Terminals is also seeking to identify investments in emerging markets, thus enhancing the development of ship/shore infrastructure for safe and efficient operations in such regions.

PROFIT & LOSS FOR THE YEAR - CONSOLIDATED

The Group's accounts have been prepared in accordance with IFRS.

Gross revenues for the Odfjell Group came in at USD 1,165 million, down 4% from the preceding year. The consolidated result before taxes of continued operation in 2013 was a loss of USD 114 million, compared to a loss of USD 111 million in 2012. Net taxes in 2013 amounted to an income of USD 7 million, compared to USD 0 million in 2012.

EBITDA for 2013 totalled USD 117 million, compared to USD 93 million the preceding year. EBIT came to a loss of USD 75 million, compared to a loss of USD 43 million in 2012. The net result for 2013 amounted to a loss of USD 108 million, compared to a loss of USD 111 million in 2012. In 2013 we recognised an impairment of gross USD 81 million related to Odfjell Terminals (Rotterdam), and USD 8.6 million in capital losses related to sale of ships and also capital gains related to terminal transactions of USD 24.5 million, whereas the 2012 result included USD 4.6 million in capital losses related to sale of ships.

Net financial expenses for 2013 totalled USD 39 million, compared to USD 68 million in 2012. The average USD/NOK exchange rate in 2013 was 5.89, compared to 5.83 the previous year. The USD appreciated against the NOK to 6.08 at 31 December 2013 from 5.59 at year-end 2012.

The cash flow from operations was USD 58 million in 2013, compared to USD 31 million in 2012. The net cash flow from investments was negative with USD 145 million. This is mainly related to new investments and disposal of parts of the terminals. The cash flow from financing activities was positive with USD 87 million.

Odfjell SE posted a loss for the year of USD 44.6 million. The loss will be covered by a transfer from other equity. As of 31 December 2013, total retained earnings amounted to USD 693 million.

The Annual General Meeting will be held on 7 May 2014 at 16:00 hours at the Company's headquarters.

Odfjell embraces an investor-friendly dividend policy. The goal is to provide semi-annual dividend payments. However, given the poor 2013 results and the importance of maintaining strong liquidity going forward, the Board does not propose payment of a dividend for the 2013 results.

According to § 3.3 of the Norwegian Accounting Act we confirm that the financial statements have been prepared on the going concern assumption.

SHARES AND SHAREHOLDERS

The Company is a SE company (Societas Europaea) subject to Act No 14 of 1 April 2005 relating to European companies. The Company's registered office is in the city of Bergen, Norway.

The object of the Company is to engage in shipping, ship agency, tank terminals, real estate, finance and trading activities, including the transportation of freight in the Company's own vessels or chartered vessels, the conclusion of freight contracts, co-ownership agreements and cooperation agreements, ownership and operation of tank terminals, as well as investment and participation in other enterprises with a similar object and other activities related thereto.

At the end of 2013 the Company's A shares were trading at NOK 41 (USD 6.74), up 71% from NOK 24 (USD 4.29) at year-end 2012. The B shares were trading at NOK 39.50 (USD 6.50) at the end of 2013, up 74% from NOK 22.70 (USD 4.06) 12 months previously. By way of comparison, the Oslo Stock Exchange benchmark index increased by 23%, the marine index by 61% and the transportation index by 56% during the year. As of 31 December 2013, Odfjell's market capitalization amounted to about NOK 3,200 million. Per 31 December 2013, Odfjell SE owns 5,891,166 treasury A shares and 2,322,482 treasury B shares.

FINANCIAL RISK AND STRATEGY

Our financial strategy is to be sufficiently robust to withstand prolonged adverse conditions, such as long-term down cycles of our markets or challenging financial conditions. Odfjell adopts an active approach to managing risk in the financial markets. This is done through funding from diversified sources, maintaining high liquidity or loan reserves, and by systematically monitoring and managing financial risks relating to currency, interest rates and the price of bunkers. However, the use of hedging instruments to reduce the Company's exposure to fluctuations in the above-mentioned aspects also limits the upside potential from favourable movements in respect of these same risk factors.

The single largest cost component affecting our time-charter earnings is bunkers. In 2013 this item amounted to more than USD 282 million (57.3% of voyage cost). A variation in the average bunker price of USD 100 per tonne equals a change of our marine fuel costs by about USD 54 million, the equivalent of a USD 1,832 per day change in time-charter earnings of the ships in which we have a direct economic interest. Our bunker exposure is partly hedged through bunker adjustment clauses in most of our Contracts of Affreightment. As of 31 December 2013 we had entered into additional hedging through swaps and options for about 20% of the 2014 bunker exposure.

All interest-bearing debt, except debt held by tank terminals outside the US, is denominated in US Dollars. Bonds issued in non-USD currencies are swapped to USD. Interest rates are generally based on USD LIBOR rates. A portion of the interest on our debt is fixed through long-term interest rate swaps. With our current interest rate hedging in place, about 32% of our loans are on a fixed rate basis per year end 2013. In order to reduce volatility of the net result and cash flow related to changes in short-term interest rates, interest rate periods on the floating rate debt and interest periods of our liquidity are managed to be concurrent.

The Group's revenues are primarily denominated in US Dollars. Only tank terminals outside the US and our regional European shipping trade generate and receive income in non-USD currencies. Our currency exposure relates to the net result and cash flow from voyage-related expenses, ship operating expenses and general and administrative expenses denominated in non-USD currencies, primarily in NOK and EUR. Our estimate is that a 10% appreciation of the USD against the NOK would improve the yearly pre-tax result by roughly USD 10 million, assuming no currency hedging is in place.

Our currency hedging at the end of 2013, under which we sold USD and purchased NOK, covers about 35% of our 2014 NOK exposure respectively. Future hedging periods may vary depending on changes in market conditions.

LIQUIDITY AND FINANCING

As of 31 December 2013, cash and cash equivalents and available-for-sale investments amounted to USD 162 million, compared with USD 170 million as of 31 December 2012. Interest-bearing debt increased to USD 1,350 million as of 31 December 2013 from USD 1,221 million at year-end 2012. At the same date net interest-bearing debt amounted to USD 1,188 million, the equity ratio was 32.2%, and the current ratio was 1.2.

In October 2013 Odfjell Terminals (Rotterdam) secured the refinancing of the existing loan at the terminal. Total facility amount is EUR 150 million and the facility matures in 2018.

During 2013 Odfjell entered into seven new loan and bond agreements related to the shipping/corporate division, with a total facility amount of about USD 250 million.

KEY FIGURES

The return on equity for 2013 was negative 12.9% and the return on total assets was negative 2.3%. The corresponding figures for 2012 were negative 11.6% and 2.3%, respectively. The return on capital employed (ROCE) was negative 3.5% in 2013. Earnings per share in 2013 amounted to USD negative 1.36 (NOK negative 8.21), compared to USD negative 1.37 (NOK negative 8.01) in 2012. The cash flow per share was USD 1.26 (NOK 7.6), compared to USD 0.26 (NOK 1.5) in 2012.

As of 31 December 2013 the Price/Earnings (P/E) ratio was negative 4.9 and the Price/Cash flow ratio was 5.3. Based on book value, the current Enterprise Value (EV)/EBITDA multiple was 16.6 while the EV/EBITDA multiple was 14.6 based on the market capitalization as per 31 December 2013. The interest coverage ratio (EBITDA/net interest expenses) was 2.6, compared to 1.8 in 2012.

ORGANISATION, WORKING ENVIRONMENT AND JOB OPPORTUNITIES

Odfjell aims at being a company for which it shall be attractive to work, with an inspiring and interesting work environment both at sea and ashore.

Odfjell maintains a policy of providing employees with equal opportunities for development of skills and offering new challenges within our Company. All employees shall be treated equally, irrespective of ethnic background, gender, religion or age – and they shall be offered equal opportunities for development and promotion to managerial positions.

We carry out employee surveys at the headquarters in Bergen and at our overseas offices, and we do ergonomics inquiries. In addition we have implemented a programme for improved health care for seafarers, focusing on exercise and a healthy diet. The work environment onshore and offshore is considered good.

Discrimination is not accepted in terms of recruitment, promotion or wage compensation. Of about 226 employees at the headquarters in Bergen, 68. 6% are men and 31.4% women, whilst the corresponding global figures (about 893 employees in our fully owned onshore operations) are 73.2% and 26.8% respectively. Three of the six Directors of the Board of Odfjell Group SE are women.

Compared to last year the recorded absence rate at the headquarters has been reduced from 2.67% to 2.44%. For the Filipino mariners the absence rate was 1.06% and for Europeans 2.19%.

The Board takes this opportunity to thank all employees for their contributions to the Company during 2013.

REMUNERATION OF THE MANAGEMENT GROUP

Salary and other remuneration to the President/CEO shall be determined by the Board. A description of the remuneration of the Management Group and the Group's remuneration policy, including the scope and organisation of bonus and share-price-related programmes, is given in the Board of Directors' statement of guidelines for the remuneration of Management. A ceiling has been set for performance-related remuneration. The Board of Directors' statement of guidelines is considered by the General Meeting and made available to shareholders together with the notice of the Annual General Meeting. See Note 23 to the Odfjell Group accounts for details about the remuneration of the Management in 2013.

MARKET DEVELOPMENT

Despite some optimistic signs towards the end of 2012 the global economic growth weakened further from 3.1% in 2012 to about 2.9% last year. For the global GDP the year ended however, on a more positive note than it started. In the US, despite slower growth in 2013, the economic fundamentals are improving, the unemployment rate is decreasing and the political climate seems more cooperative, thus enabling future growth. The EU appears finally to have reached a 'rock bottom', and the financial situation in the worst affected economies have stabilised. However, growth is still very weak, with high unemployment and little establishment of new business. Several Asian economies managed to reverse a downward development, with stronger growth in 2013 than in 2012 in Japan, in India and in the newly industrialised economies. China delivered a still high growth of about 7.7%, however, a decline from previous years. This was mainly caused by weakening exports due to the world financial crisis and political measures to curb the credit growth to avoid overheating the economy. The other BRIC economies, Russia and Brazil, are faring less well, and struggle with stagflation, structural weaknesses and reduced competitiveness. Oil prices have been high throughout the year, with Brent Blend consistently above USD 100 per barrel. This has led to marine fuel spot prices remaining at a very high level, although slightly less than in 2012. Oil futures are currently being traded at somewhat lower levels than the spot market, indicating an expected drop in energy prices going forward, but geopolitical unrest may reverse any such trend.

The main shipping segments still suffer from rather slow freight markets combined with high fuel prices. The considerable net fleet growth in recent years have led to general oversupply of tonnage in most sectors, including crude and product tankers, dry-bulk carriers and container-ships, which only partly has been absorbed by slow steaming to save fuel, port congestion and other factors reducing fleet efficiency. High fuel prices continue to trigger fuel-efficiency measures, and the interest in contracting ships with eco-friendly hull and engine design is increasing. Despite the tonnage surplus and marginal earnings in most recent years, and although traditional bank financing remains tight, the number of new orders is growing and many yards are filling their capacity for several years ahead. New capital seeking higher yield is looking to shipping with its cyclical character as a promising alternative to other investment possibilities. Investors are entering the market either by direct investments in existing ships and/or newbuildings, or through IPOs for existing set-ups. As such investors are predominantly financial in their approach and have limited if any knowledge in operating ships, meaning their tonnage will have to be operated by third-party shipping companies.

The emergence of shale gas resources in the US has made a large impact on the world chemical industry. From being at a considerable cost disadvantage only a few years ago, the US feedstock prices are now becoming amongst the most competitive in the world, second only to the Middle East. This gives a tremendous boost to the US petrochemical industry, and the production of ethylene, one of the principal feedstocks for the petrochemical industry, is forecasted to expand by more than 30% over the next three to four years. A significant share of this will be processed into liquid petrochemicals, and over the next years US exports will most likely increase considerably, at the expense of naphtha-based production in Europe, Northeast Asia and South America. At the same time, a shift from naphtha-based to shale gas-based production may also increase US imports of commodities normally derived from naphtha, such as propylene and butadiene. Some of the US surplus ethane will also be exported, as LNG or after being cracked into ethylene. Consequently, this will create shipping opportunities both for chemical tankers as well as for ethylene carriers. The Middle East countries continue the down-stream expansion, aiming at producing and exporting more downstream products themselves. The future seems less bright for the chemical industry in other areas, particularly in Europe but also parts of Northeast Asia, probably causing chemical exports from these regions to decline, which may limit the possibilities for combining cargoes and thus, to efficiently utilise the ships. The overall tonne-mile demand effect is therefore highly uncertain.

Chemical spot freight rates remain at about the same levels as in 2012, which are also equal to what they were prior to the start of the financial crisis in 2008/2009. However, obviously this does not in any way reflect the considerable cost increases since then, mainly in terms of fuel and energy costs but also port and canal dues, manning costs, etc. The prolonged cost disadvantages have left many owners in a difficult situation, some even in a critical financial state; but so far the forecasted consolidation on the supply side has not taken place. Banks and other investors have elected to keep distressed shipowners afloat, waiting for the market to improve and thus, the value of the assets to increase. This has prevented a necessary restructuring of the industry and has contributed to maintain freight rates at unsustainable levels with regard to what is required for the long-term development of the assets, competence and organisations.

Net tonnage growth during the year for the chemical tanker fleet as a whole was 1.3%, whilst the core chemical deep-sea fleet grew by about 1.6%. This constitutes the most moderate fleet growth since the early 1990s. The order book for the core chemical deep-sea fleet is at the time of writing about 10% of current fleet, and slightly higher for the stainless steel segment at about 12.5%. Although increasing slightly, the chemical tanker net growth rate will remain relatively low also the next few years. Forecast net core chemical deep-sea fleet growth for 2014 and 2015 is on average about 2.8% per year.

The global economy is expected to grow by 3–4% per year over the next few years, which traditionally should indicate an increase in the demand for seaborne chemical transportation of 4–5% per year. Consequently, the supply/demand balance should gradually turn in favour of stronger chemical tanker markets, with higher spot rates and improved terms for Contracts of Affreightment. However, the substantial market slack through slow-steaming, ballasting or part loading, as well as inefficient port operations, need to be recovered before we see any substantive tightening of the market. With new private equity entering the market we have seen an immense increase in ordering of medium range product carriers, and recent months also increased ordering of standard stainless steel tonnage. This may very well dampen the much awaited recovery.

COMPANY STRATEGY AND PROSPECTS

Odfjell strives to provide safe, efficient, and cost-effective chemical tanker, LPG/Ethylene carrier and tank terminal services to our customers worldwide. In addition to the clear operational and commercial benefits from close co-operation between our shipping activities and our tank terminals, the tank terminals themselves have proven a stabilising factor in the Company's overall financial performance over time, as earnings from this area are less volatile as compared to earnings from our shipping activities.

On the shipping side, we are continually striving to stay competitive and flexible with a modern and versatile fleet of vessels of high standards, adjusting to changing trade patterns through organisational dexterity. Disposal of older units provides better utilisation, enhancing the results of the rest of the fleet, in spite of which overall activity levels were unsatisfactory in 2013. Freight rates still have some way to go to reach sustainable levels.

The US posted its strongest GDP growth for the last three years on the back of acceleration in private sector demand led by stronger consumer spending and a pickup in exports. The European economy has continued its gradual improvement, with Germany and the UK leading the way. China's economic growth is decelerating, with growth of still healthy 7.7% in the fourth quarter of 2013. The tense political situation surrounding the Ukraine and the Crimea gives reason for concern as it may affect trade.

US shale gas and tight oil is breathing new life into the US chemical industry, with both cheap feedstock and energy fuelling a significant competitive edge. We expect this to have a positive impact in all our segments in the medium to long term, by boosting the number of cargoes on the market, sailing distances and demand for storage.

Based on the above we expect a slow but steady increase in demand for Odfjell's services. Orders for chemical tankers are picking up, but the order book within the core chemical segment still remains moderate.

Our main concerns relate to challenging markets also in 2014, high fuel costs and potential further increased order book within our core segment. Part of our 2014 bunker exposure is reduced through bunker clauses in our contracts and by paper hedges. On the tank terminal side we have witnessed stable activities and inquiries for storage, and with the exception of OTR, we expect continued stable and improving results.

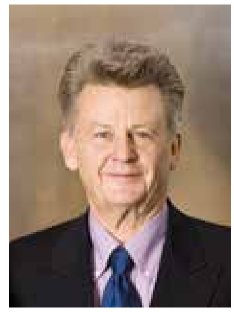
THE BOARD OF DIRECTORS

LAURENCE WARD ODFJELL

Executive Chairman of the Board since 4 May 2010. Mr Odfjell was a Board Member between 2004 and 2007 and former President of Odfjell Terminals BV. He controls 25,966,492 A shares and 2,578,994 B shares (incl. related parties) and no options.

ÅKE GREGERTSEN

Board Member since 6 May 2013. Mr Gregertsen has held several positions at Odfjell, including President of Odfjell Terminals (Houston) from 1996 to 2001 and Senior Vice President at Odfjell Terminals from 2001 to 2002. From 2012–2013 he was Interim President for Odfjell Terminals BV. Mr Gregertsen is an independent Board Member. Mr Gregertsen owns 3,000 A shares and no options.

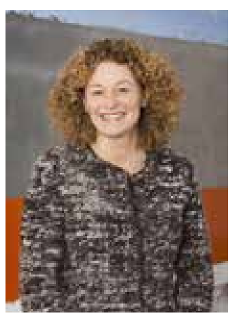


BERNT DANIEL ODFJELL

Board Member since 2010 and former Chairman of the Board. Mr Odfjell has been with the Company since 1963 and has held various management positions. He owns 2,032 B shares (incl. related parties) and no options.

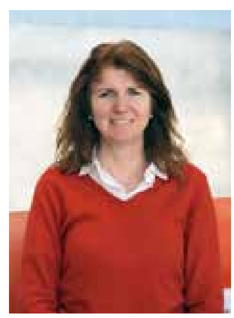
IRENE WAAGE BASILI

Board Member since 2 December 2008. Ms Waage Basili is CEO of GC Rieber Shipping. She has 20 years of experience within shipping and the oil service industry. Ms Waage Basili is an independent Board Member. She owns no shares nor options.



CHRISTINE RØDSÆTHER

Board Member since 4 May 2010. Ms Rødsæther is a lawyer and partner in the law firm Simonsen Vogt Wiig AS. She is a Master of Law (LLM) specialising in financial regulations, maritime law and transportation, and has experience within banking, finance, corporate, shipping and offshore. Ms Rødsæther is an independent Board Member. She owns no shares nor options.



JANNICKE NILSSON

Board Member since 8 May 2012. Ms Nilsson holds a Master of Science in cybernetics and process automation from Stavanger University, and has 25 years of experience in the upstream oil and gas industry. She is currently Senior Vice President Operation North Sea West, Development and Production Norway for Statoil and Statoil's Location Manager in Bergen. Ms Nilsson is an independent Board Member. She owns no shares nor options.

FINANCIAL STATEMENT
ODFJELL GROUP

STATEMENT OF COMPREHENSIVE INCOME

(USD 1 000)	Note	2013	2012
Gross revenue	3	1 165 429	1 211 669
Net income from associates	36	1 102	825
Voyage expenses	19	(491 418)	(532 391)
Time-charter expenses	20	(165 038)	(173 157)
Operating expenses	21, 23	(267 611)	(285 278)
Gross result		**242 464**	**221 668**
General and administrative expenses	22, 23	(125 363)	(128 576)
Operating result before compensation, depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)		**117 101**	**93 092**
Depreciation and amortization	10	(126 065)	(131 501)
Impairment of non-current assets	10, 11, 12	(81 338)	–
Capital gain (loss) on non-current assets	10	15 515	(4 433)
Operating result (EBIT)		**(74 787)**	**(42 842)**
Interest income	18	5 325	3 230
Interest expenses	7	(50 724)	(53 226)
Other financial items	26	(1 131)	(15 542)
Currency gains (losses)	27	7 156	(2 502)
Net financial items		**(39 374)**	**(68 040)**
Result before taxes		**(114 161)**	**(110 882)**
Taxes	8	6 640	38
Net result		**(107 521)**	**(110 844)**
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to statement of comprehensive income			
Cash flow hedges changes in fair value	5	5 310	25 776
Cash flow hedges transferred to statement of comprehensive income	5	(6 800)	(14 595)
Net unrealized gain/(loss) on available-for-sale investments		28	1 255
Exchange rate differences on translating foreign operations		(13 933)	10 983
Items that will not be reclassified to statement of comprehensive income			
Net actuarial gain/(loss on defined benefit plans)		27 468	(10 210)
Other comprehensive income		**12 073**	**13 209**
Total comprehensive income		**(95 448)**	**(97 635)**
Net result allocated to:			
Non-controlling interests		–	116
Owner of parent		(107 521)	(110 960)
Total comprehensive income allocated to:			
Non-controlling interests		–	78
Owner of parent		(95 448)	(97 713)
Earnings per share (USD) - basic/diluted	13	(1.36)	(1.37)

STATEMENT OF FINANCIAL POSITION

Assets as per 31.12 (USD 1 000)	Note	2013	2012	01.01.2012
NON-CURRENT ASSETS				
Intangible assets	11	43 739	109 819	115 178
Real estate	10	42 189	33 161	38 587
Ships	10	1 255 610	1 190 208	1 171 689
Newbuilding contracts	10	69 200	102 702	118 555
Tank terminals	10	492 392	440 714	591 318
Office equipment and cars	10	42 964	44 365	43 454
Investments in associates	36	22 877	23 152	1 718
Non-current receivables	28	33 299	48 977	59 488
Total non-current assets		**2 002 270**	**1 993 098**	**2 139 988**
CURRENT ASSETS				
Current receivables	29	155 171	139 159	134 781
Bunkers and other inventories	32	36 560	36 862	36 243
Derivative financial instruments	5	3 867	6 610	11 563
Available-for-sale investments	17	9 658	16 734	25 364
Cash and cash equivalents	18	152 124	153 123	180 067
Assets classified as held for sale	37	–	223 741	–
Total current assets		**357 381**	**576 229**	**388 017**
Total assets		**2 359 650**	**2 569 327**	**2 528 005**

Equity and liabilities as per 31.12 (USD 1 000)	Note	2013	2012	01.01.2012
EQUITY				
Share capital	33	29 425	29 425	29 425
Treasury shares	33	(2 785)	–	(2 785)
Share premium	33	172 388	53 504	53 504
Other equity		560 456	824 841	892 428
Non-controlling interest		-	6 503	6 309
Total equity		**759 484**	**914 274**	**978 880**
NON-CURRENT LIABILITIES				
Deferred tax liabilities	8	26 693	53 551	51 554
Pension liabilities	9	35 527	66 678	51 091
Derivative financial instruments	5	17 043	15 685	–
Non-current interest bearing debt	7	1 216 046	994 911	1 116 941
Other non-current liabilities	31	2 546	10 175	24 537
Total non-current liabilities		**1 297 854**	**1 141 000**	**1 244 123**
CURRENT LIABILITIES				
Current portion of interest bearing debt	7	133 634	225 930	127 997
Taxes payable	8	1 970	21 716	22 765
Employee taxes payable		6 464	7 732	6 995
Derivative financial instruments	5	9 198	23 744	47 839
Other current liabilities	30	151 048	106 030	99 405
Liabilities classified as held for sale	38	–	128 900	–
Total current liabilities		**302 313**	**514 052**	**305 001**
Total liabilities		**1 600 167**	**1 655 053**	**1 549 124**
Total equity and liabilities		**2 359 650**	**2 569 327**	**2 528 005**
Guarantees	16	101 029	72 928	–

THE BOARD OF DIRECTORS OF ODFJELL SE

Bergen, 18 March 2014

LAURENCE WARD ODFJELL
Executive Chairman

JANNICKE NILSSON

BERNT DANIEL ODFJELL

ÅKE GREGERTSEN

IRENE WAAGE BASILI

CHRISTINE RØDSÆTHER

JAN ARTHUR HAMMER
President/CEO

STATEMENT OF CASH FLOW

(USD 1 000)	Note	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income taxes		(114 161)	(110 883)
Taxes paid in the period		(29 232)	987
Depreciation and impairment	10	207 459	131 501
Capital (gain) loss on non-current assets	10	(15 515)	4 433
Change in inventory (increase) decrease		302	(619)
Change in trade debtors (increase) decrease		(10 847)	11 891
Change in trade creditors increase (decrease)		45 034	(5 131)
Difference in pension cost and pension premium paid		(3 497)	4 215
Effect of exchange fluctations		(6 933)	2 502
Other current accruals		(14 426)	(8 095)
Net cash flow from operating activities		**58 184**	**30 802**
CASH FLOW FROM INVESTING ACTIVITIES			
Sale of non-current assets		21 906	45 355
Investment in non-current assets	10	(283 711)	(212 341)
Sale of shares and investments in other companies		91 800	–
Investments in shares and in other companies		275	(21 434)
Non-current receivables		17 315	8 630
Available-for-sale investments		7 077	11 674
Net cash flow from investing activities		**(145 338)**	**(168 116)**
CASH FLOW FROM FINANCING ACTIVITIES			
New interest bearing debt		473 820	438 793
Payment of interest bearing debt		(344 981)	(361 155)
Repurchase/sale of treasury shares		(42 201)	33 029
Net cash flow from financing activities		**86 637**	**110 668**
Effect on cash balances from currency exchange rate fluctuations		(481)	(299)
Net change in cash balances		**(998)**	**(26 945)**
Cash and cash equivalents as per 01.01		153 122	180 067
Cash and cash equivalents as per 31.12		**152 124**	**153 122**
Available credit facilities		–	93 670

STATEMENT OF CHANGES IN EQUITY

(USD 1 000)	Share capital	Treasury shares	Share premium	Exchange rate differences	Cash flow hedge reserve	Available-for-sale reserve	Pension re-measu-rement	Retained earnings	Total other equity	Owner of parent equity	Non-con-trolling interest	Total equity
Equity as at 01.01.2012	29 425	(2 785)	53 504	13 189	(22 905)	(769)	–	926 335	915 850	995 994	6 309	1 002 303
Change in accounting principle [a]	–	–	–	–	–	–	–	(23 423)	(23 423)	(23 423)	–	(23 423)
Equity as at 01.01.2012 adjusted for changes	29 425	(2 785)	53 504	13 189	(22 905)	(769)	–	902 912	892 427	972 571	6 309	978 880
Net result	–	–	–	–	–	–	–	(110 960)	(110 960)	(110 960)	116	(110 844)
Comprehensive income	–	–	–	10 905	11 181	1 255	(10 210)	–	13 131	13 131	78	13 209
Share sale/repurchases [b]	–	2 785	–	–	–	–	–	30 244	30 244	33 029	–	33 029
Equity as at 31.12.2012	**29 425**	**–**	**53 504**	**24 094**	**(11 724)**	**486**	**(10 210)**	**822 196**	**824 842**	**907 772**	**6 503**	**914 274**
Equity as at 01.01.2013	29 425	–	53 504	24 094	(11 724)	486	(10 210)	822 196	824 842	907 772	6 503	914 274
Net result	–	–	–	–	–	–	–	(107 521)	(107 521)	(107 521)	–	(107 521)
Comprehensive income	–	–	–	(13 933)	(1 490)	28	27 468	–	12 073	12 073	–	12 073
Other adjustments	–	–	–	–	12 446	–	–	(23 084)	(10 638)	(10 638)	–	(10 638)
Share sale/repurchases [b]	–	(2 785)	–	–	–	–	–	(39 416)	(39 416)	(42 201)	–	(42 201)
Demerger	–	–	118 883	–	–	–	–	(118 883)	(118 883)	–	–	–
Disposal minority	–	–	–	–	–	–	–	–	–	–	(6 503)	(6 503)
Equity as at 31.12.2013	**29 425**	**(2 785)**	**172 388**	**10 161**	**(768)**	**514**	**17 258**	**533 292**	**560 455**	**759 485**	**–**	**759 484**

[a] IAS 19 is revised and the revised standard is mandatory for the Group from 1 January 2013. The effect of the change has been accounted for retrospectively. According to revised IAS 19, unrecognised actuarial gains and losses can no longer be deferred, but instead recognised immidiately in other comprehensive income.

The Group have changed its accounting principle at 1 January 2012 by recognising an acutarial loss of USD 23.4 million in retained earnings. In 2012 other comprehensive income is changed with a negative amount of USD 10.2 million. The total effect of revised IAS 19 on the equity at year end 2012 is USD 33.6 million.

[b] In 2013 Odfjell SE acquired 5,891,166 A shares and 2,322,482 B shares. The total purchase price was USD 42.2 million. Consideration in excess of nominal value (USD 2.8 million) is charged directly to retained earnings (USD 39.4 million). In 2012 Odfjell reissued the similar number of A and B shares with a total amount of USD 33.0 million.

NOTES TO THE FINANCIAL STATEMENT

NOTE 1 CORPORATE INFORMATION

Odfjell SE, Conrad Mohrsv. 29, Bergen, Norway, is the ultimate parent company of the Odfjell Group. Odfjell SE is a public limited company traded on the Oslo Stock Exchange with the tickers ODF and ODFB. The consolidated financial statement of Odfjell for the year ended 31 December 2013 was authorised for issue in accordance with a resolution of the Board of Directors on 18 March 2014. The Odfjell Group includes Odfjell SE, subsidiaries incorporated in several countries (see note 34 for an overview of consolidated companies), and our share of investments in joint ventures (see note 35).

Odfjell is a leading company in the global market for transportation and storage of chemicals and other speciality bulk liquids, LPG/Ethylene products as well as a provider of related logistical services. Through its various subsidiaries and joint ventures Odfjell owns and operates chemical tankers, LPG/Ethylene carriers and tank terminals. The principal activities of the Group are described in note 3.

Unless otherwise specified the 'Company', 'Group', 'Odfjell' and 'we' refer to Odfjell SE and its consolidated companies.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 Basis for preparation

The Odfjell Group has prepared its consolidated financial statements according to International Financial Reporting Standards (IFRS) approved by the EU.

The consolidated statements have been prepared under the historical cost convention, except for the measurement of fair value of financial instruments and hedging (see note 2.13) and financial assets classified as available for sale (see note 2.14).

2.2 The use of estimates and assessment of accounting policies when preparing the annual accounts

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving higher degree and judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are:

Voyage revenues and costs

Voyage revenues and costs are recognised in accordance with the percentage of completion method with operating revenues and expenses recognised for each voyage. This recognition is based on estimated voyages that are reviewed and updated at each period end.

Revenues and expenses still in progress at the end of the reporting period are estimated and prorated over the period of the voyage with reference to days before and after the year end.

Revenues and costs estimates and the duration of the voyage are based on updated information at year end.

Management does not believe that there would be a material change if the percentage of completion method was based upon other criteria than already applied. However, if actual results are not consistent with estimates or assumptions, revenues or costs may be over or understated.

Impairment test chemical tanker vessels

The chemical tanker fleet is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the fleet may not be recoverable. Management measures the recoverable amount of an asset or a Cash Generating Unit (CGU) by comparing its carrying amount to the higher of its fair value less cost of disposal or future discounted cash flows that the asset or CGU is expected to generate over its remaining useful life.

If an asset or CGU is considered to be impaired, impairment is recognised in an amount equal to the excess of the carrying amount of the asset or CGU over its recoverable amount.

As the Odfjell ships 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 ships. In addition the pool of officers and crew are used throughout the fleet. Odfjell has a strategy of a total crew composition and how the crew is dedicated to the individual ships varies. Changing the crew between two ships can change the net present value per ship without any effect for the Group. This also is an argument for evaluating the fleet together. As a consequence, ships will only be impaired if the total value of the ships based on future estimated cash flows is lower than the total book value.

The chemical tank fleet is tested for impairment on a CGU basis.

In order to assess impairment, Management makes assumptions regarding future cash inflows and outflows based on existing contracts, historical experience, financial forecasts, expected growth in ship supply, market demand and discount rate. Management also makes assumptions regarding residual values of the ships.

If actual results differ from estimates and assumptions used in estimating future cash flows, then the Group may be exposed to future impairment losses that could be material.

An impairment test have been carried out at year end 2013. Key assumption in the impairment test is the gross result and discount rate.

An increase of 1% in the weighted average cost of capital would result in a decrease in the present value by approximately USD 124 million. Such increase in the discount rate would not result in an impairment of the ships.

A decrease in revenue of 5% would decrease the net present value by USD 195 million. Such change would not result in an impairment of the ships.

Impairment test of LPG/Ethylene carriers

Ships within the gas segment are tested for impairment in similar manner as the chemical fleet.

Due to few ships in the portfolio, each ship is assessed as one CGU. In this impairment assessment, the Management makes the same assumptions as for the impairment test of the chemical fleet.

An increase in weighted average cost of capital with 1% results in a decrease in the net present value by USD 7.2 million. Such change in assumptions would not result in any impairment loss.

Impairment of goodwill, customer relationships and fixed assets related to Odfjell Terminals (Rotterdam)

The Odfjell Group holds 51% ownership in Odfjell Terminals Rotterdam (OTR) which is regarded as one CGU.

In 2013 Odfjell Group made a pre-tax impairment loss of USD USD 81.3 million related to the investment in OTR, distributed between goodwill and customer relationships of USD 63.8 million and fixed assets of USD 17.5 million. Value in use is the recoverable amount of the CGU.

The main circumstances which led to the impairment loss were commercial capacity out of use and delay in the recovery compared to originally plan.

When estimating the recoverable amount the Management has made assumptions regarding weighted average cost of capital, recovery of commercial capacity, operational margins (EBITDA), long-term growth and capital expenditure.

Management has estimated two discount rates, one for the first ten years and one discount rate for remaining period. The average pre-tax discount that returns the pre-tax cash flows to recoverable amount is 7.55%.

If the average pre-tax discount rate increases to 8%, and additional pre-tax impairment loss of USD 39 million would occur.

If the average EBITDA margin is reduced by 2%, an additional pre-tax impairment loss of USD 24 million would occur.

The above sensitivity analysis is performed keeping all other assumptions unchanged.

Goodwill impairment testing related to other investments than OTR

Goodwill is tested for impairment on an annual basis upon the CGU for which the goodwill is assigned. In addition to the goodwill assigned to OTR, the Group's goodwill relates to investment in Odfjell Terminals (Houston) and Oiltanking Odfjell Terminal Singapore Pte Ltd.

When performing the impairment test, the recoverable amount is determined. The recoverable amount is the highest amount of fair value less cost of disposal and value in use. The impairment test by applying the value in use shows significant headroom. We have therefore not estimated the fair value less cost of disposal for these CGUs.

When calculating future cash flows, certain assumptions are required to be made in respect of uncertain matters described in the previous section.

The Group has applied approved budget in this calculation. For cash flows beyond the budget period, cash flows are extrapolated by using budget figures and long-term growth rates.

The calculation of value in use shows significant headroom. Any reasonable change in the assumptions applied would therefore not result in any impairment of the goodwill assessed.

Depreciation and residual value of ships

Ships are recognised at historical cost less accumulated depreciation and any impairment charges. The cost of the ships includes the contract price, expenses related to site team and pre-delivery borrowings incurred. The cost less residual value is depreciated on a straight-line basis over the ships estimated useful life.

The cost of the ships is divided into separate components for depreciation purposes. Estimated cost of first time dry-docking is deducted from the cost of the ship and depreciated separately over a period until the next dry-docking. The residual value of these components is zero.

Residual value is estimated based upon the latest available steel-price and the lightweight of the ships.

Estimated useful life of the ships is in the range of 25–30 years. Estimated cost of dry-docking is depreciated over an estimated period of 2.5 years.

If actual use of the ships differs from estimated useful life an impairment loss could occur.

If residual value is incorrect, the future depreciation would be affected, either as a reduction if residual value is understated or as an increase in deprecation if residual value is overstated.

Pension obligation

The Odfjell Group sponsors defined benefit pension plans, early retirement plans and supplemental executive retirement plans.

Net pension costs and accumulated benefit obligation is calculated using a number of assumptions including discount rate, increase in salary, retirement age and mortality rate.

These assumptions have a significant impact on the defined benefit obligation recognised at year end.

The Group uses external actuary to calculate the net pension cost and accumulated benefit obligation. The key assumptions applied when calculating the pension obligation and the associated sensitivity analysis is further elaborated in note 9.

2.3 Revenue recognition

Revenue is recognised when it is probable that a transaction will generate a future economic benefit that will accrue to the Group, and the size of the amount may be reliably estimated. Revenue is measured at the fair value of the amount to be received, excluding discounts, sales taxes or duty.

Total revenues and voyage related expenses in a period are accounted for as the percentage of completed voyages. Voyage accounting consists of actual figures for completed voyages and estimates for voyages in progress. Voyages are normally discharge-to-discharge. Except for any period a ship is declared off-hire due to technical or other owner's matters, a ship is always allocated to a voyage.

Tank rental income is recognised to the extent that it is likely that the economic benefits will accrue and the amount may be reliably measured. Distillation income and other services are recognised in proportion to the stage of the rendered performance as at the balance sheet date. If the income from rendering of services cannot be reliably measured, only the income up to the level of the expenses to be claimed will be recognised.

2.4 Segments

Operating segments are reported in the manner consistent with the internal financial reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board and Odfjell Management Group which makes the strategic decisions.

Our shipping revenue is allocated on the basis of the area in which the cargo is loaded. For the tank terminals the revenue is allocated to the area where the respective companies are located. Total assets and capital expenditure are allocated to the area where the respective assets are located while ships and newbuilding contracts are not allocated to a certain area as the ships sail on a worldwide basis. Financial information relating to segments is presented in note 3.

Transactions between the individual business areas are priced at market terms and are eliminated in the consolidated accounts.

2.5 Non-current assets

Non-current assets are measured at historical cost, which includes purchase price, capitalised interest and other expenses directly related to the assets. The carrying value of the non-current assets on the balance sheet represents the cost less accumulated depreciation and any impairment charges. Newbuilding contracts include payments made under the contracts, capitalised interest and other costs directly associated with the newbuilding and are not depreciated until the asset is available for use.

We estimate residual value at the estimated time of disposal of assets, which is generally at the end of their useful life. To assess the residual value of ships we use the current estimated recycling value. For terminals we use a best estimate for the value of tank assets less dismantling expenses. The residual values are measured at least on a yearly basis and any changes have an effect on future depreciations.

Each component of a non-current asset that is significant to the total cost of the item are depreciated separately. The Company allocates the amount initially recognised in respect of an item of non-current asset to its significant components and depreciates separately each such component over their useful lives. The book value of ships is split into two components, ships and periodic maintenance.

Day-to-day repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations and periodic maintenance is included in the asset's carrying amount. At the time of investing in a ship a portion of the purchase price is defined as periodic maintenance. The investment is depreciated over the remaining useful life of the asset and for the periodic maintenance part over the period until the next periodic maintenance. For ships chartered in on bare-boat terms, Odfjell is responsible for operating expenses and periodic maintenance. For such ships we make accruals for estimated future periodic maintenance.

Expected useful lives of non-current assets are reviewed at each balance sheet date, and where they differ significantly from previous estimates, depreciations are adjusted accordingly. Changes are valid as from the dates of estimate changes.

Depreciation of the above mentioned assets appears as depreciation in the statement of comprehensive income.

Capital gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the operating result. When the carrying amount of a non-current asset will be recovered principally through a sale transaction rather than through continued use they are reported at the lower of the carrying amount and the fair value less selling costs.

2.6 Leases

The determination of whether an arrangement is, or may represent a lease, is based on the substance of the arrangement at inception date. An arrangement is a lease if the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. After inception reassessment is made only if one of the following aspects occurs:

1. there is a change in contractual terms, other than a renewal or extension of the arrangement
2. a renewal option is exercised or an extension is granted, without the term of the renewal or extension having been initially included in the lease term
3. there is a change in the determination of whether fulfilment is dependent on a specified asset
4. there is a substantial change to the asset where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios 1, 3 or 4 and at the date of renewal or extension period for scenario 2.

Assets financed under financial leases are capitalised at the commencement of the lease at the fair value of the leased asset, or if lower, at the net present value of minimum lease payments. Lease payments consist of a capital element and financial cost, the repayment of the capital element reduces the obligation to the lessor and the financial cost is expensed. Capitalised leased assets are depreciated over the estimated useful life in accordance with note 10.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term, see note 16 and note 20.

2.7 Goodwill

Goodwill arises on the acquisition of business and represents the excess values of the consideration transferred and the net fair value of identifiable assets, liabilities and contingent consideration of the acquired business. In the case of investments in associates and joint venture, goodwill is included in the carrying amount of the investment. Goodwill is not amortized, but goodwill is allocated to the relevant CGU and an assessment is made each year as to whether the carrying amount can be justified by future earnings, see note 2.8 impairment of assets.

2.8 Impairment of assets

Non-financial assets

The carrying amount of the Group's tangible and intangible assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required the asset's recoverable amount is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belong. 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 an interest rate according to a weighted average cost of capital ('WACC') reflecting the required rate of return. If the recoverable amount is lower than the book value, impairment has occurred and the asset shall be revalued. Impairment losses are recognised in statement of comprehensive income. Assets are grouped at the lowest level where there are separately identifiable independent cash flows.

With the exception of goodwill, impairment losses recognised in the statement of comprehensive income for previous periods are reversed when there is information that the basis for the impairment loss no longer exists. This reversal is classified in revenue as an impairment reversal. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

Financial assets

At each reporting date the Group assesses whether a financial asset or a group of financial assets is impaired.

(i) Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has occurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

(ii)Available-for-sale-investments

If an available-for-sale-investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in the statement of comprehensive income, is transferred from equity to the statement of comprehensive income. This normally applies in a situation with changes exceeding 20% of the value and expected to last for more than six months, both based on original cost.

2.9 Consolidation

The consolidated statements consist of Odfjell SE and its subsidiaries as at 31 December each year (see note 34). Non-controlling interests are included as a separate item in the equity, and are recorded as a separate allocation of the net result. The non-controlling interests include the minority's share of the equity of the subsidiary, including any share of identified excess value on the date when a subsidiary was acquired.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtained control, and continues to be consolidated until the date that such control ceases. Controlling influence is normally gained when the Group owns, directly or indirectly, more than 50% of the shares in the company and is capable of exercising actual control over the company. Identified excess values have been allocated to those assets and liabilities to which the value relates. Fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the balance sheet date. Excess values are depreciated over the estimated useful lives, except for goodwill that is tested for impairment annually or more frequently if events or changes in circumstances indicate that there may be impairment (see note 2.8).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

2.10 Investment in joint ventures

Joint ventures are entities from which the Group has contractually agreed to share the power to govern the financial and operating policies of the entity with another venturer(s). Our share of activities under joint control (see note 35) is included according to the proportional consolidation method. Under this method the Group's proportionate share of revenues, costs, assets and liabilities are recognised with similar items in the financial statements on a line-by-line basis. The financial statements of the joint venture are prepared for the same reporting year as Odfjell. Adjustments are made to conform the joint ventures accounting policies to the Group's accounting policies.

2.11 Investment in associates

Associated companies are entities in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Associated companies (see note 36) are included according to the equity method. Under this method the Group's share of the associated company's net result for the year is recognised in the statement of comprehensive income. The Group's interest in an associated company is carried on the balance sheet at an amount that reflects its share of the net assets of the associated company. The carrying value of investment in an associate will never be negative, unless the Group has incurred or guaranteed obligations in respect of the associated company. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. The reporting dates of the associate and the Group are identical. Adjustments are made to conform the associates accounting policies to the Group's accounting policies.

2.12 Currency

The consolidated financial statements are presented in USD as the Group operates in an international market where the functional currency is mainly USD. The functional currency of the parent company is USD.

Transactions in non-USD currency are recorded at the exchange rate on the date of the transaction. Receivables and liabilities in non-USD currencies are translated at the exchange rate on the balance sheet date. All exchange rate differences are taken to the statement of comprehensive income.

The balance sheet of foreign subsidiaries with functional currency other than USD is translated at the rate applicable on the balance sheet date, while the statement of comprehensive income is translated using the monthly average exchange rate for the accounting period. Exchange rate differences that arise as a result of this are included as exchange rate differences in other comprehensive income. When a foreign subsidiary is sold, the accumulated translation adjustment related to that subsidiary is taken to the statement of comprehensive income.

2.13 Derivative financial instruments and hedging

Derivative financial instruments are recognised on the balance sheet at fair value. The method of recognising the gain or loss is dependent on the nature of the item being hedged. On the date a derivative contract is entered, we designate certain derivatives as either a hedge of the fair value of a recognised asset or liability (fair value hedge), or a hedge of a highly probable forecasted transaction (cash flow hedge).

Changes in the fair value of derivatives that qualify as fair value hedges and that are highly effective both prospectively and retrospectively are recorded in the statement of comprehensive income together with any changes in the fair value of the hedged itemthat is attributable to the hedged risk.

Changes in the fair value of derivatives that qualify as cash flow hedge that are highly effective both prospectively and retrospectively are recognised in other comprehensive income. Amounts deferred in other comprehensive income are transferred and classified in the statement of comprehensive income when the underlying hedged items impact net result in a manner consistent with the underlying nature of the hedged transaction.

If a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting under IAS 39, any cumulative gain or loss recognised in other comprehensive income at that time remains in other comprehensive income and is transferred to statement of comprehensive income when the committed or forecasted transaction ultimately is recognised in the statement of comprehensive income as a finance item. However, if a committed or forecasted transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income is immediately transferred to the statement of comprehensive income.

Certain derivative transactions, while providing effective economic hedges under the Group risk management policy, do not qualify for hedge accounting under the specific rules in IAS 39. Changes in the fair value of derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised immediately in the statement of comprehensive income. This also applies to any ineffective parts of a derivative financial instrument that qualifies as a hedge.

At the inception of the transaction,the relationship between the hedging instruments and the hedged items, as well as its risk management objective and strategy for undertaking the hedge transactions, is documented. This process includes linking all derivatives designated as hedges to specific assets and liabilities or to specific firm commitments or forecasted transactions. The Group also documents its assessment, both at the hedge inception and on an ongoing basis, as to whether the derivatives that are used in hedging transactions, are highly effective in offsetting changes in fair values or cash flows of the hedged items. The derivative instruments used by the Group are not held for speculative arbitrage or investment purposes.

The fair value of derivatives that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For derivatives where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another substantially equal instrument, discounted cash flow analysis or other valuation models.

2.14 Financial instruments

Financial investments have been classified as financial assets at fair value through statement of comprehensive income, loans and receivables or available-for-sale categories. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through the statement of comprehensive income, directly attributable transaction costs. The classification is dependent on the purpose for which the investments were acquired. Financial investments with less than 12 months to maturity or if they are being regularly traded are classified as current assets, otherwise as non-current. The Group determines the classification of its financial investments after initial recognition, and where allowed and appropriate, this designation is re-evaluated at each financial year end.

Purchases and sales of financial investments are recognised on the settlement date, which is the date that the asset is delivered to or by the Group. When financial investments are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through the statement of comprehensive income, directly attributable transaction cost.

Fair value of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there are no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another substantially same instrument, discounted cash flow analysis or other valuation models.

Financial investments at fair value through the statement of comprehensive income

This category includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through the statement of comprehensive income. A financial investment is classified in this category if acquired principally for the purpose of regular trading. Derivatives are in this category unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loan and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale investments

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any other category. They are included in non-current assets unless Management intends to dispose of the investment within 12 months of the balance sheet date. After initial recognition, available-for-sale investments are measured at fair value with gains and losses being recognised in other comprehensive income until the investment is derecognised, or until the investment is determined to be impaired, at which time the cumulative loss previously reported in other comprehensive income is included in statement of comprehensive income.

2.15 Trade receivables

Trade receivables are recognised at fair value at time of initial measurement. After initial recognition, receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Provisions for impairment are based on estimated historical data and objective indicators of a fall in value. Objective indicators are, among other: material economic problems, economical restructuring, bankruptcy, delayed repayment or non-payment. Provisions for impairment are recognised to receivables and changes are charged to the statement of comprehensive income as reduction in gross revenue. Any receipt of earlier written off receivables are recognised in the statement of comprehensive income as gross revenue.

2.16 Inventories

Bunkers and other inventories are accounted for at purchase price, on a first-in, first-out basis.

Inventories are measured at the lower of cost and net realisable value. If inventory is written down to net realisable value, the write down is charged to the statement of comprehensive income.

2.17 Cash and cash equivalents

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash in hand and in bank, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

The amount of cash and cash equivalents in the cash flow statement does not include available credit facilities.

2.18 Equity

Paid in equity

(i) Share capital

Ordinary shares (A and B shares) are classified as equity. The paid in equity equals the nominal value per share.

(ii) Treasury shares

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

When such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(iii) Share premium

The excess value of the total paid-in-capital not reflected in the nominal value of the shares. Transaction costs of an equity transaction are accounted for as a deduction in share premium, net of any related income tax benefit.

Other equity

(i) Exchange rate differences

Exchange rate differences arise in connection with currency differences when foreign entities are consolidated. When a foreign operation is sold, the accumulated exchange differences linked to the entity are reversed and recognised in statement of comprehensive income in the same period as the gain or loss on the sale is recognised.

(ii) Fair value and other reserves

The fair value and other reserves include the total net change in the fair value of the cash flow hedge and financial investments available for sale. When the hedged cash flow matures or is no longer expected to occur, the net change in fair value is transferred to the statement of comprehensive income. When financial investments are sold or impaired, the accumulated fair value adjustments in equity are included in the statement of comprehensive income as gains and losses from financial investment.

(iii) Retained earnings

The net result attributable to and available for distribution to the shareholders.

Dividends are recorded as a deduction to other equity in the period in which they are approved by the shareholders.

2.19 Taxes

The shipping activities are operated in several countries and under different tax schemes, including the ordinary tax system in Norway, the Norwegian shipping tax system, the Approved International Shipping system in Singapore and the tonnage tax systems in the UK. In addition we operate under local tax systems, most important in Chile and Brazil.

Our tank terminal activities are generally subject to the ordinary corporate tax rates within the country in which the terminal is located.

The Group's taxes include taxes of Group companies based on taxable profit for the relevant financial period, together with tax adjustments for previous periods and any change in deferred taxes. Tax credits arising from subsidiaries' distribution of dividends are deducted from tax expenses.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income 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 are recognised to the extent that it is probable that future taxable profit will be available to offset the temporary differences. We recognise formerly unrecognised deferred tax assets to the extent that it has become probable that we can utilise the deferred tax asset. Similarly, the Company will reduce its deferred tax assets to the extent that it no longer can utilise these.

Deferred tax and deferred tax assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the relevant tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax and deferred tax assets are recognised irrespective of when the differences will be reversed. Deferred tax and deferred tax assets are recognised at their nominal value and are classified as non-current liabilities (non-current assets) in the balance sheet.

Companies taxed under special shipping tax systems will generally not be taxed on the basis of their net operating profit. A portion of net financial income and other non-shipping activities are normally taxed at the ordinary applicable tax rate. Taxation under shipping tax regimes requires compliance with certain requirements, and breach of such requirements may lead to a forced exit of the regime.

Tax payable and deferred taxes are recognised directly in equity to the extent that they relate to factors that are recognised directly in equity.

2.20 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all associated conditions will be complied with. When the grant relates to an expense item, it is recognised as reduction of the expense over the period necessary to match the grant on a systematic basis to the expense that it is intended to compensate. When the grant relates to an asset, the fair value is reduced and the grant is included in the statement of comprehensive income over the expected useful life of the relevant asset on a straight-line basis. Further details are given in note 14.

2.21 Dismantling liabilities

If there is legal or constructive obligation to dismantle a tank terminal at the end of its useful life, liabilities for future dismantling expenses are accrued at net present value. The dismantling liability is capitalized in the asset value. The liabilities are regularly evaluated, and adjusted when there are material changes in interest rates, inflation or in other dismantling expenses. Changes in dismantling provision are added to or deducted from the cost of the related asset.

Unwinding of the discount is charged to the statement of comprehensive income as a finance cost as it occurs.

2.22 Interest bearing debt

Interest bearing debt is classified as non-current liabilities and initially recognised at the amount of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, where any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Interest bearing debt is generally non-current liabilities, while installments within the next 12 months are classified as current liabilities.

2.23 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are based on best estimates. Provisions are reviewed on each balance sheet date and reflect the best estimate of the liability. If the effect of the time value of money is material, normally more than twelve months, provisions are discounted using a current pre tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.24 Pension cost and liabilities

The Group operates a number of pension plans in accordance with the local conditions and practices in the countries in which it operates. Such pension plans are defined benefit plans or contribution plans according to the customary pension plans prevailing in the country concerned.

Defined benefit pension plans are pension plans with retirement, disability and termination income benefits. The retirement income benefits are generally a function of years of employment and final salary with the Company. Generally the schemes are funded through payments to insurance companies. The liability in respect of defined benefit pension plans is the present value of the accumulated defined benefit obligation at the balance sheet date less the fair value of plan assets. The net pension liability is calculated based on assumptions with regards to interest rates, future salary adjustments etc. These assumptions are based on historical experience and current market conditions. The cost of providing pensions is charged to statement of comprehensive income so as to spread the regular cost over the vesting period of the employees. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income.

For defined contribution plans, contributions are paid to pension insurance plans. Once the contributions have been paid, there are no further payment obligations. Contributions to defined contribution plans are charged to the statement of comprehensive income in the period to which the contributions relate.

2.25 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after deducting interest on any dilutive instruments) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

2.26 Comparatives

Comparative figures have been reclassified to conform to changes in presentation in the current year when there are changes in accounting principles, corrections of errors or operations defined as discontinued.

2.27 Events after the balance sheet date

Events after the balance sheet date that do not affect the Company's position at the balance sheet date, but which will materially affect the Company's position in the future are stated.

2.28 Related parties

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

Company considers these arrangements to be on reasonable market terms.

2.29 Classification in the financial statement

Odfjell has used a classification based on a combination of nature and function in the statement of comprehensive income.

2.30 Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Group

The following standards and amendments have been adopted by the Group for the first time in 2013 and have the following impact on the financial statements:

Amendments to IAS 19 – employee benefits

These amendments eliminate the corridor approach and calculate the finance cost on a net funding basis.

The effects of the implementation of the amendments are shown in the statement of change in equity.

Amendments to IAS 1 – financial statements

Items presented in other comprehensive income (OCI) shall be classified on the basis of whether they will be reclassified through profit or loss or not.

The amendments have no effect on the recognised amounts.

IFRS 13 Fair value measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value. The standard does not extend the use of fair value.

IFRS 13 has no impact on recognised amounts for the Group.

(ii) New standards and interpretations not yet adopted

A number of new standards and amendments to standard and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have significant impact of the Group, except the following set out below:

IFRS 11 Joint arrangements

The standard focuses on the rights and obligations of the parties to the arrangement rather its legal form. There are two types of joint arrangements: joint operations and joint ventures. The joint operations arise when the investors have right to assets and obligations for the liabilities of an arrangement.

A joint operator accounts for its share of the assets, liabilities, revenue and expenses.

Joint ventures arise where the investors have rights to the net assets of the arrangement. Joint ventures are accounted for under the equity method. Proportional consolidation is no longer permitted.

The Group is currently using the proportionate consolidation method. Management has evaluated IFRS 11 and concluded that the Group's investment in Odfjell Terminals AS is a joint venture. Hence this investment will be accounted for by applying the equity method from 2014.

In note 37 we have identified the effect on the income statement for 2013 and balance sheet at 31 December 2013 if the equity method were adopted in 2013.

NOTE 3 SEGMENT INFORMATION

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company has three reportable business segments: Chemical Tankers, Tank Terminals and LPG/Ethylene. The chemical tankers involve a round the world service, servicing ports in Europe, North and South America, the Middle East and Asia, Australia and Africa. Our fleet composition enables us to offer both global and regional transportation.

Tank terminals forms a separate segment through our investment in the joint venture company Odjell Terminals AS. In addition, this segment plays an important operational role in our cargo-consolidation programme so as to reduce the time our vessels spend in ports, reduce thereby emission in port, and enable us to be one of the world-leaders in combined shipping and storage services.

Odfjell re-entered into the gas market in 2012 by acquiring of two modern LPG/Ethylene carriers, and ordered in 2013 four new vessels and has also options for delivery of up to four additional vessels.

Pricing of services and transactions between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expenses and segment results include transactions between business segments. These transactions are eliminated in consolidation.

The Group provide geographical data for revenue and total assets, as the reliability measurement criteria cannot be met for other items. The Group's activities are mainly divided among the following regions: Europe, North and South America, the Middle East and Asia, Australia and Africa. Vessels and newbuilding contracts are not allocated to specific geographical areas as they generally trade worldwide.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board and the Management Group which makes the strategic decisions. See also note 2.4 Segments.

BUSINESS SEGMENT DATA

(USD 1 000)	Chemical Tankers 2013	Tank Terminals 2013	LPG/ Ethylene 2013	Total 2013**)	Chemical Tankers 2012	Tank Terminals 2012	LPG/ Ethylene 2012	Total 2012
STATEMENT OF COMPREHENSIVE INCOME								
Gross revenue from external customers	1 025 808	128 166	11 456	**1 165 429**	1 062 350	143 549	5 770	1 211 669
Gross revenue from internal customers	2 320	1 064	–	**–**	3 289	1 246	–	–
Gross revenue	**1 028 128**	**129 230**	**11 456**	**1 165 429**	**1 065 639**	**144 795**	**5 770**	**1 211 669**
Net income from associates	–	1 102	-	**1 102**	–	825	–	825
Operating result before depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)	97 979	21 827	(2 706)	**117 101**	65 318	27 144	629	93 092
Depreciation	(86 827)	(36 443)	(2 795)	**(126 065)**	(96 098)	(34 657)	(747)	(131 501)
Impairment of non-current asset	-	(81 338)	–	**(81 338)**	–	–	–	–
Capital gain (loss) on non-current assets	(8 582)	24 098	–	**15 515**	(4 433)	–	–	(4 433)
Operating result (EBIT)	**2 569**	**(71 856)**	**(5 500)**	**(74 787)**	**(35 213)**	**(7 513)**	**(117)**	**(42 842)**
Net financial items	(43 324)	6 797	(2 740)	**(39 374)**	(57 722)	(9 690)	(628)	(68 040)
Taxes	(5 192)	11 832	–	**6 640**	(4 288)	4 325	-	38
Net result	**(45 947)**	**(53 228)**	**(8 240)**	**(107 522)**	**(97 223)**	**(12 875)**	**(747)**	**(110 844)**
Non-controlling interest	–	15	–	**15**	–	116	–	116
BALANCE SHEET								
Investments in associates	–	22 877	–	**22 877**	–	23 152	–	23 152
Total assets *)	1 623 939	685 669	50 042	**2 359 650**	1 749 388	1 061 772	102 143	2 569 327
Total debt *)	1 222 557	318 616	58 994	**1 600 167**	1 378 215	453 969	102 855	1 655 053
CASH FLOW STATEMENT								
Net cash flow from operating activities	71 836	(6 693)	(6 959)	**58 184**	29 711	1 873	(782)	30 802
Net cash flow from investing activities	(149 701)	22 423	(18 060)	**(145 338)**	(22 056)	(83 495)	(62 565)	(168 116)
Net cash flow from financing activities	62 909	64 634	(40 906)	**86 637**	80 512	(6 708)	36 864	110 668
Capital expenditure	(192 710)	(72 941)	(18 060)	**(283 711)**	(87 306)	(62 470)	(62 565)	(212 341)

*) Terminal figures are including assets and debt held for sale in 2012, see note 38 for more information.

**) The difference between total of business area and total per year is due to eliminations of internal transactions between the business segments.

GROSS REVENUE AND ASSETS PER GEOGRAPHICAL AREA

(USD 1 000)	Gross revenue 2013	Gross revenue 2012	Assets 2013	Assets 2012
North America	287 001	283 154	126 282	83 155
South America	158 649	153 129	45 324	46 854
Norway	9 673	–	236 244	285 310
Netherlands	100 087	115 954	322 513	308 258
Other Europe	126 207	126 716	5 446	10 037
Middle East and Asia	399 174	429 014	297 769	396 217
Africa	69 689	90 598	1 262	2 262
Australasia	14 950	13 104	–	–
Unallocated ships and newbuilding contracts	–	–	1 324 810	1 437 234
Total	**1 165 429**	**1 211 669**	**2 359 650**	**2 569 327**

NOTE 4 FINANCIAL RISK MANAGEMENT

Odfjell's results and cash flow are influenced by a number of variable factors. Our policy is to manage the risks we are exposed to, including, but not limited to market risk, credit risk, liquidity risk, currency risk and interest rate risk. Our strategy is to systematically monitor and understand the impact of changing market conditions on our results and cash flow and to initiate mitigating actions where required.

Financial risk management is carried out by a central treasury function. Various financial instruments are used to reduce fluctuations in results and cash flow caused by volatility in exchange rates, interest rates and bunker prices.

The below table shows sensitivity on the Group's pre-tax result and equity due to changes in major cost components on yearly basis (calculation based on best estimates):

Cost component	Equity	Net result
Bunkers, USD 50 per tonne increase	4.8 mill.	(27 mill.)
Interest rates, 1% increase	1.4 mill.	(13 mill.)
Currency, USD 10% decrease	2.3 mill.	(10 mill.)

Credit risk

Multiple counterparts are used to hedge our total risk. We primarily use our lending banks as counterparts to enter into hedging derivatives. From time to time other counterparties may be selected. We deem all to be high quality counterparts. In addition, the Company's hedging policy establishes maximum limits for each counterparty. The Group therefore regards its maximum risk exposure as being the carrying amount of trade receivables and other current receivables (see note 29).

The Group has issued guarantees for third parties' liabilities as shown in note 16.

Liquidity risk

The Group's strategy is to have enough liquid assets or available credit lines, at any time, to be sufficiently robust to withstand prolonged adverse conditions in the markets where we operate. Surplus liquidity is mainly invested in liquidity funds or bonds with a high credit rating.

See also note 5, 7, 29 and 30 for aging analysis and currency exposure.

Currency risk

The Group enters into currency contracts to reduce currency risk in cash flows denominated in non-USD currencies. Investments in associated companies and subsidiaries with a non-USD currency as functional currency are generally not hedged. Such investments generate foreign currency translation differences that are booked directly to other comprehensive income, see statement of other comprehensive income.

The Group has certain assets and liabilities denominated in NOK that are not fully hedged. Fluctuations in the USD/NOK exchange rate will influence the Group's result. The most material item is pension liabilities (see note 9 Pension liabilities) in Norway.

Bunker risk

The single largest cost component affecting the time-charter earnings is bunkers. In addition to bunker adjustment clauses in Contracts of Affreightment, the Group enters into several types of bunker derivatives to hedge against fluctuations in the results due to changes in the bunker prices.

Interest rate risk

The Group enters into several types of interest rate derivatives to hedge against fluctuations in the results due to changes in interest rates. Typically, the Company enters into interest rate swaps for hedging of a portion of the market interest related to our loans portfolio.

NOTE 5 DERIVATIVES ACTIVITIES

The Group uses different hedging instruments to reduce exposures to fluctuations in financial risks.

CASH FLOW HEDGING

The Group has highly probable future expenses that may be variable due to changes in currency exchange rates, interest rate levels or bunker prices. The derivatives classified as cash flow hedges are accounted for at market value (fair value). The change in market value prior to maturity is accounted for under assets or liabilities and other equity. At maturity, the result of the hedging transactions is accounted for in the account to the underlying exposure e.g. voyage-, operating-, general and administrative expenses or interest expenses in the net result.

Currency

The Group estimates future expenses in non-USD currencies based on prior year's actual amounts adjusted for any changes and secures part of this anticipated exposure by using forward contracts and options.

From time to time we enter into currency options that do not qualify for hedge accounting as it is uncertain if we will receive a future delivery, hence we may enter into currency derivatives on a trading basis.

Bunkers

The Group estimates future fuel oil consumption based on the fleet employment plan and historical data. Platt's fuel index '3.5% FOB Barges Rotterdam' is the index purchased when we hedge our bunker exposure. Each year we test the correlation of this index both with the equivalent index for major bunkering ports and the actual price for the fuel we have purchased in these ports. Per 31 December 2013 these correlations are sufficient to use as the reference index to hedge our future bunker purchases in these ports.

Bunker hedging contracts used are swaps and options.

A Contract of Affreightment entered into with a customer typically contains a bunker adjustment clause. This means that bunker price for the bunker consumption related to that contract is fixed or at least determined within parameters. With a bunker price above trigger points our customer will compensate us for the increased cost. Likewise, with a lower bunker price we have to compensate the customer.

Interest rates

The Group's debt consists of mortgage lending, lease financing, unsecured bonds and export financing. The debt interest rate is normally floating. From time to time we enter into derivatives to swap the floating interest rate to fixed interest rate for a period up to ten years.

From time to time we also sell interest rate options that may, in the future, be turned into a fixed rate swaps. We may also enter into interest rate derivatives on a trading basis.

FAIR VALUE HEDGING

From time to time we enter into a transaction where we wish to swap a principal and/or a series of interest payments from one currency to another, e.g. the NOK bond is swapped to USD interest and principal payments. The derivatives classified as fair value hedges are evaluated at market value, however, the effect in the accounts is nil as the underlying exposure has an exact opposite change in market value.

NON HEDGING

For derivatives that do not qualify for hedge accounting, any change of market value prior to the maturity and the result of the derivative transaction at maturity are accounted for under 'Other financial items' in the net result.

The below overview reflects status of hedging and non-hedging exposure 31 December 2013 (figures 1 000):

Currency		Sold		Bought	Avg. Rate	Time to maturity - USD amounts ← 1 year	1 - 5 years	→ 5 years	Total
Cash flow hedging	USD	24 000	NOK	149 964	6.25	24 000	–	–	**24 000**
Non hedge [1]	USD	13 000	NOK	83 655	6.44	13 000	–	–	**13 000**

[1] Weekly options, amount can be between 0 and USD 26 million.

Interest rates			Avg. Rate	Time to maturity ← 1 year	1 - 5 years	→ 5 years	Total
Cash flow hedging	USD	78 710	3.29%	3 600	64 400	10 709	**78 710**
	EUR	25 372	3.75%	–	25 372	–	**25 372**
	SGD	36 848	2.10%	4 590	22 950	9 308	**36 848**
Non hedge, IRS [1]	USD	275 000	2.76%	75 000	100 000	100 000	**275 000**

[1] All non hedge IRS' are classified as current assets

Cross currency interest rate swaps				Avg. Rate	Time to maturity - USD amounts ← 1 year	1 - 5 years	→ 5 years	Total
Non hedge	USD	296 230	From NOK to USD	6.31%	–	296 230	–	**296 230**

Bunker		Avg. Price	Time to maturity – volume ← 1 year	1 - 5 years	→ 5 years	Total
Cash flow hedging	96 000 tonnes	USD 547.03	96 000	–	–	**96 000**

The below overview reflects status of hedging and non-hedging exposure 31 December 2012 (figures 1 000):

Currency		Sold	Bought	Avg. Rate	Time to maturity - USD amounts ← 1 year	1 - 5 years	→ 5 years	Total
Cash flow hedging	USD	24 000	145 272	6.05	24 000	–	–	**24 000**
Non hedge	USD	17 806	100 000	5.62	17 806	–	–	**17 806**

Interest rates			Avg. Rate	Time to maturity ← 1 year	1 - 5 years	→ 5 years	Total
Cash flow hedging	USD	251 815	4.35%	150 000	50 000	51 815	**251 815**
	EUR	15 300	4.23%	15 300	–	–	**15 300**
	SGD	62 500	2.21%	13 750	48 750	–	**62 500**
Non hedge, IRS [1]	USD	275 00	2.76%	–	175 000	100 000	**275 000**

[1] All non hedge IRS' are classified as current assets

Cross currency interest rate swaps			Avg. Price	Time to maturity - USD amounts ← 1 year	1 - 5 years	→ 5 years	Total
Non hedge	USD 273 973	From NOK to USD	6.10%	62 489	122 918	88 566	**273 973**

Bunker		Avg. Price	Time to maturity – volume ← 1 year	1 - 5 years	→ 5 years	Total
Cash flow hedging	120 000 tonnes	USD 545.75	120 000	–	–	**120 000**

Derivative financial instruments recognised as assets/liabilities on the balance sheet:

(USD 1 000)	2013	2012
Bunkers	3 133	3 684
Currency	734	2 444
Shares	–	481
Interest rates	(26 241)	(39 428)
Held for sale	–	(4 381)
Derivative financial instruments	**(22 374)**	**(37 201)**

Hedging reserve recognised in statement of other comprehensive income

The table below shows fluctuations in the hedging reserve in the statement of other comprehensive income from cash flow hedges (see Statement of other comprehensive income) divided between the different types of hedging contracts:

(USD 1 000)	Interest rate swaps	Currency exchange contracts	Bunker contracts	Total hedging reserve
Balance sheet as at 01.01.2012	**(20 761)**	**1 160**	**(3 305)**	**(22 906)**
Fluctuations during the period:				
- Gains/losses due to changes in fair value	3 612	2 623	19 542	25 776
- Transfers to net result	(157)	(1 885)	(12 553)	(14 595)
Balance sheet as at 31.12.2012	**(17 306)**	**1 898**	**3 683**	**(11 724)**
Fluctuations during the period:				
- Gains/losses due to changes in fair value	1 693	(781)	5 379	6 291
- Transfers to net result	(233)	(632)	(5 930)	(6 795)
- Other adjustments	11 516	–	–	11 516
Balance sheet as at 31.12.2013	**(4 330)**	**485**	**3 131**	**(712)**

Fair value of financial instruments

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. Derivative financial instruments and available-for-sale-investments are recognised in the balance sheet at the fair value at the balance sheet date. The fair value is obtained from active markets or based on third party quotes. For cash and cash equivalents and current liabilities the carrying amount is considered to be the best estimate of fair value of these instruments due to the short maturity date. Receivables are measured at nominal value reduced by any impairment. Carrying amount is considered to be best estimate of fair value due to short maturity date and valid terms. Fair value of bonds is calculated based on market values on the bonds.

The Group's financial statement does not have any differences between fair value and carrying amount.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The measurement used by Odfjell is either level 1 or 2, where level 1 is quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity access at the measurement date, and level 2 is input other than quoted prices that are observable for the asset or liability, either directly or indirectly. For some non-derivative financial assets and liabilities we consider carrying amount to be the best estimate of fair value due to short maturity date and valid terms, i.e. current receivables and payables.

As at 31 December Available-for-sale investment were valued at level 1, all other financial instruments were valued at Level 2.

During 2013 there have been no transfers between levels of the fair value hierarchy. The Group accounts for transfers between levels of the fair value hierarchy from the date of the event or change in circumstances that caused the transfer.

Assets and liabilities which are measured at fair value in the Statement of Financial position and their level of the fair value hierarchy are as follows:

Classification of financial assets and liabilities as at 31 December 2013:

(USD 1 000)	Derivatives held as hedge instrument	Derivatives held at fair value over the result	Loans and receivables	Available for sale invest-ments	Liabilities recognised at amortised cost	Non-financial assets/ liabilities	Total 2013
ASSETS							
Cash and cash equivalents	–	–	152 124	–	–	–	152 124
Available-for-sale-investments	–	–	–	9 658	–	–	9 658
Derivative financial instruments	3 618	249	–	–	–	–	3 867
Current receivables	–	–	150 003	–	–	5 168	155 171
Non-current receivables	–	–	33 299	–	–	–	33 299
Other non-financial assets	–	–	–	–	–	2 005 530	2 005 530
Total assets	**3 618**	**249**	**335 427**	**9 658**	**–**	**2 010 698**	**2 359 650**
LIABILITIES							
Other current liabilities	–	–	–	–	159 481	–	159 481
Derivative financial instruments	5 949	20 292	–	–	–	–	26 241
Interest bearing debt	–	–	–	–	1 349 680	–	1 349 680
Other non-current liabilities	–	–	–	–	2 546	–	2 546
Other non-financial liabilities	–	–	–	–	–	62 219	62 219
Total liabilities	**5 949**	**20 292**	**–**	**–**	**1 511 706**	**62 219**	**1 600 167**

Classification of financial assets and liabilities as at 31 December 2012:

(USD 1 000)	Held for sale	Derivatives held as hedge instrument	Derivatives held at fair value over the result	Loans and receivables	Available for sale invest-ments	Liabilities recognised at amortised cost	Non-financial assets/ liabilities	Total 2012
ASSETS								
Cash and cash equivalents	17 335	–	–	153 122	–	–	–	170 457
Available-for-sale-investments	–	–	–	–	16 734	–	–	16 734
Derivative financial instruments	–	6 610	–	–	–	–	–	6 610
Current receivables	6 281	–	–	128 585	–	–	10 574	145 440
Non-current receivables	9 114	–	–	50 614	–	–	–	59 728
Other non-financial assets	191 011	–	–	–	–	–	1 980 983	2 171 994
Total assets	**223 741**	**6 610**	**–**	**332 322**	**16 734**	**–**	**1 991 557**	**2 570 965**
LIABILITIES								
Other current liabilities	13 018	–	–	–	–	135 478	–	148 496
Derivative financial instruments	4 381	7 094	32 336	–	–	–	–	43 811
Interest bearing debt	104 615	–	–	–	–	1 220 841	–	1 325 456
Other non-current liabilities	–	–	–	–	–	10 175	–	10 175
Other non-financial liabilities	6 887	–	–	–	–	–	88 235	95 121
Total liabilities	**128 900**	**7 094**	**32 336**	**–**	**–**	**1 366 494**	**88 235**	**1 623 058**

NOTE 6 CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain healthy capital ratios and hold liquidity available to take advantage of investment opportunities and generally support the business. At the same time capital management should be such that the capital structure is sufficiently robust to withstand prolonged adverse conditions in significant risk factors, such as long-term down-cycles in our markets and unfavourable conditions in the financial markets.

The Group manages the capital structure and makes adjustments to maintain an optimal structure adapted to current economic conditions. In order to maintain or adjust the capital structure, the Company may adjust dividend payments, buy treasury shares, redemption of shares or issue new shares. No changes were made in the objectives or policies during the years ending 31 December 2013 and 2012.

The Group monitors its capital using the book equity ratio and available liquidity, being the sum of cash and cash equivalents, available-for-sale investments and available drawing facilities, as the primary measurements. The Group's policy is to maintain an equity ratio between 30% and 35% and available liquidity of USD 150 - 200 million.

(USD 1 000)	2013	2012
Equity	759	914
Total assets	2 360	2 345
Assets held for sale	–	224
Equity ratio	32.2%	35.6%
Cash and cash equivalents	152	153
Available-for-sale-investments	10	17
Available drawing facilities	–	94
Total available liquidity	**162**	**264**

NOTE 7 INTEREST BEARING DEBT

The interest bearing debt is a combination of secured debt and unsecured debt, finance leases from international shipping banks and bonds in the Norwegian bond market. Interest rates are generally based on floating LIBOR-rates.

(USD 1 000)	Average interest rate	2013	2012
Loans from financial institutions – floating interest rates	2.66%	881 804	764 979
Finance leases	0.78%	183 368	190 556
Bonds	6.61%	293 701	273 973
Subtotal interest bearing debt	**3.26%**	**1 358 872**	**1 229 509**
Transaction cost		(9 192)	(8 668)
Total interest bearing debt		**1 349 680**	**1 220 841**
Current portion of interest bearing debt		(133 634)	(225 930)
Total non-current interest bearing debt		**1 216 046**	**994 911**

Average interest rate is the weighted average of interest rates, excluding hedges, as per end of 2013.

Transaction costs are deferred and charged net result over the life of the underlying debt using the effective interest rate method. During 2013 USD 3 million (USD 1.9 million in 2012) has been charged to the statement of comprehensive income.

The interest bearing debt does not contain any restrictions on the Company's dividend policy or financing opportunities. The interest bearing debt is generally subject to certain covenants which include that book debt ratio shall at all times be less than 75% (excluding deferred taxes from debt) and that the liquidity shall always be minimum of USD 50 million. Any free liquid assets in companies included 100% in the consolidated accounts of Odfjell SE can also be included in the calculation on a pro-rata basis corresponding to Odfjell's ownership, provided there are no restrictions on lending or distributions of any kind from the relevant company to Odfjell SE. On a consolidated basis Odfjell SE shall at all times maintain free liquid assets of minimum 6% of interest bearing debt.

Maturity of interest bearing debt as at 31 December 2013:

(USD 1 000)	2014	2015	2016	2017	2018	2019+	Total
Loans from financial institutions – floating interest rates	128 060	235 242	89 263	163 723	157 841	107 675	**881 804**
Finance leases	5 574	7 249	6 376	5 053	156 639	2 476	**183 368**
Bonds	–	102 995	–	102 139	88 566	–	**293 701**
Total interest bearing debt	**133 634**	**345 487**	**95 639**	**270 915**	**403 046**	**110 152**	**1 358 872**
Estimated interest payable	42 666	34 424	26 644	19 854	8 634	7 468	**139 690**
Total liabilities	**176 300**	**379 911**	**122 283**	**290 769**	**411 680**	**117 619**	**1 498 562**

Maturity of interest bearing debt as at 31 December 2012:

(USD 1 000)	2013	2014	2015	2016	2017	2018+	Total
Loans from financial institutions – floating interest rates	139 736	95 289	205 334	74 973	88 410	161 238	**764 979**
Finance leases	23 705	6 648	792	1 222	2 544	155 645	**190 556**
Bonds	62 489	–	35 199	–	87 719	88 566	**273 973**
Total interest bearing debt	**225 930**	**101 938**	**241 325**	**76 195**	**178 673**	**405 448**	**1 229 509**
Estimated interest payable	36 557	28 970	26 735	19 755	18 026	10 343	**140 387**
Total liabilities	**262 486**	**130 908**	**268 060**	**95 950**	**196 699**	**415 792**	**1 369 895**

Average maturity of the Group's interest-bearing debt is about 4.1 years (4.4 years in 2012).

The net carrying amount of assets under finance leases is USD 197.6 million as per 31 December 2013 (USD 248 million as per 31 December 2012). The lease periods vary from six years to 25 years from inception, and may involve a right of renewal. In addition to the rental payments, the Group has obligations relating to the maintenance of the assets and insurance as would be for a legal owner. At any time the Company has the option to terminate the finance leases on vessels and become the legal owner at defined termination payments. The finance leases generally do not contain provisions for payment of contingent rents. The future minimum lease payments are based on certain assumptions regarding the tax rules in the UK, including, but not limited to, tax rates and writing down allowances. Changes in these assumptions and the timing of them may impact the minimum lease payments.

(USD 1 000)	2013	2012
Book value of interest bearing debt secured by mortgages	875 894	764 307
Book value of vessels and terminals mortgaged	1 418 645	1 364 795

The table below summarizes interest bearing debt in different currencies:

(USD 1 000)	2013	2012
USD	940 215	842 727
EUR	71 297	68 835
SGD	29 149	30 295
NOK *)	293 701	273 973
RMB	15 455	3 270
WON	9 056	10 306
Other currencies	–	102
Total interest bearing debt	**1 358 872**	**1 229 509**

*) Bond debt swapped to USD. See note 5 Hedging Activities

NOTE 8 TAXES

(USD 1 000)	2013	2012
Taxes payable, Norway – ordinary tax	2 143	(139)
Taxes payable, other jurisdictions	7 453	8 081
Change in deferred tax, other jurisdictions	(14 909)	–
Change in deferred tax, held for sale	(1 327)	(7 904)
Total taxes	**(6 640)**	**(38)**

(USD 1 000)	2013	2012
Pre-tax profit	**(114 161)**	**(110 882)**
Tax calculated at domestic tax rates applicable to profits in the respective countries	31 569	29 004
Tax effect of:		
Income and expenses not subject to tax	(10 864)	(29 105)
No deferred tax asset recognised	(14 550)	–
Associated results reported net of tax	285	139
Tax income (expenses)	**6 440**	**38**
Effective tax rate	**5.64%**	**0.03%**

The tax returns of the Company and its subsidiaries' are routinely examined by relevant tax authorities. From time to time, in the ordinary course of business, certain items in the tax returns are questioned or challenged. The Company believes that adequate tax provisions have been made for open years.

ODFJELL 100 years

Specification of deferred taxes (deferred tax assets):

(USD 1 000)	2013	Change in temporary differences	2012
Revaluation of investments at fair value	–	(61)	61
Pensions	24 589	3 019	21 570
Financial instruments	23 386	(3 349)	26 735
Provisions	6 582	13 271	(6 689)
Unrealised currency related to non-current receivables and liabilities	–	(1 777)	1 777
Loss carried forward	149 868	54 985	94 883
Total negative temporary differences	**204 425**	**66 088**	**138 338**
Differences related to depreciation of non-current assets	106 869	(14 777)	121 646
Differences related to current assets	–	(34 328)	34 328
Deferred gain related to sale of non-current assets	2 461	(876)	3 337
Excess value related to investments of non-current assets	55 738	(35 259)	90 997
Total positive temporary differences	**165 068**	**(85 240)**	**250 308**
Net temporary differences	(39 357)	(151 328)	111 971
Temporary differences not accounted for *)	114 952	21 670	93 282
Temporary differences – basis for calculation of deferred tax	**75 595**	**(129 658)**	**205 253**
Deferred tax in statement of financial position	**26 693**	–	**53 551**
Tax rate	12 – 35%	–	12 – 35%

*) This applies to temporary differences for companies with losses where deferred tax assets are not recognised.

The Group has a total loss carried forward of USD 150 million at 31 December 2013 (2012: USD 95 million), that is available indefinitely to offset against future taxable profits of the companies in which the losses arose. Tax group contributions are also available within the same country and within the same tax regime. The distribution of dividend to the Odfjell SE's shareholders does not affect the Company's payable or deferred tax.

NOTE 9 PENSION LIABILITIES

The Group operates defined benefit plans in Norway, USA and Netherlands. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefit depends on members' length of service and their salary in the final years leading up to retirement.

There are three plans in Norway which are unfunded, where the group meets the benefit payment obligation as it falls due. The most significant of these is the early retirement plan, where the benefit under this scheme is limited to the period at the age of 65 to the age of 67. Plan assets are governed by insurance company according to local regulations in each country. The responsibility for governance of the plans including investments decisions lies with the insurance company.

One funded plan in Norway includes spouses, children and disability coverage. The retirement is at age 67 (pension payment for life). For offshore personnel the group operates a separate tariff rated pension scheme. The pension benefit under this scheme is limited to the period at the age of 60 to the age of 67.

(USD 1 000)	2013	2012
Balance sheet obligations for:		
Defined pension benefit – funded	17 705	44 460
Defined pension benefit – unfunded	16 481	20 485
Subtotal	**34 186**	**64 945**
Others	1 341	1 731
Total liability in the balance sheet	**35 527**	**66 678**
Income statement charge included in operating profit for:		
Defined pension benefits	**11 371**	**9 903**
Remeasurements included in other comprehensive income for:		
Defined pension benefits	**(27 468)**	**10 210**

The amount recognised in the balance sheet is determined as follows:

(USD 1 000)	2013	2012
Present value of funded obligations	114 253	136 514
Fair value of plan assets	(95 206)	(90 321)
Deficit of funded plans	**19 047**	**46 193**
Present value of unfunded plans	16 481	20 485
Total deficit of defined benefit pension plans (liability in the balance sheet)	**35 527**	**66 678**

The movements in the defined benefit obligation over the years are as follows:

(USD 1 000)	Present value of pension obligation	Fair value of plan assets	Total
At 1 January 2012	**123 917**	**(72 826)**	**51 091**
Current service cost	8 785	–	8 785
Interest expense/(income)	3 799	(2 681)	1 118
Net pension cost 2012	**12 584**	**(2 681)**	**9 903**
Remeasurements:			
Return on plan assets, excluding amounts included in net interest expense	–	(5 293)	(5 293)
Gain/(loss) from change in demographic assumptions	(787)	–	(787)
Gain/(loss) from change in financial assumptions	15 921	–	15 921
Experience gain/(loss)	370	–	370
Total remeasurements	**15 503**	**(5 293)**	**10 210**
Contributions:			
From employer	–	(8 553)	(8 553)
From plan	(2 147)	1 125	(1 021)
Total contributions	**(2 147)**	**(7 428)**	**(9 575)**
Exchange rate differences/currency gain/losses	7 141	(2 092)	5 049
At 31 December 2012	**156 999**	**(90 321)**	**66 678**
Current service cost	10 011	–	10 011
Interest expense/(income)	3 977	(2 617)	1 360
Net pension cost 2013	**13 988**	**(2 617)**	**11 371**
Remeasurements:			
Return on plan assets, excluding amounts included in net interest expense	–	(1 261)	(1 261)
Gain/(loss) from change in demographic assumptions	5 664	–	5 664
Gain/(loss) from change in financial assumptions	(28 622)	(584)	(29 206)
Experience gain/(loss)	(2 665)	–	(2 665)
Total remeasurements	**(25 623)**	**(1 845)**	**(27 468)**
Contributions:			
From employer	–	(7 863)	(7 863)
From plan	(2 190)	1 179	(1 011)
Total contributions	**(2 190)**	**(6 684)**	**(8 874)**
Exchange rate differences/currency gain/losses	(10 440)	4 259	(6 180)
At 31 December 2013	**132 733**	**(97 207)**	**35 527**

The significant actuarial assumptions were as follows:

	2013			2012		
	Norway	USA	The Netherlands	Norway	USA	The Netherlands
Discount rate	4.1%	4.15%	3.6%	2.3%	4.40%	3.4%
Salary growth rate	3.75%	2.80%	2.0%	3.5%	3.00%	2.0%
Pension in payment – growth rate	0.6% - 3.5%	2.40%	1.0%	0.2% - 3.25%	2.40%	1.0%
Mortality table	K2013	IRS Funding table	GBM/GBV 2012-2062	K2005	IRS Funding table	GBM/GBV 2012-2062

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption, the benefit obligation changes	Decrease in assumption, the benefit obligation changes
Discount rate	0.5%	Decrease in benefit with 8.6%	Increase in benefit with 9.9%
Salary growth	0.5%	Increase in benefit with 4.1%	Decrease in benefit with 3.9%
Pension growth rate	0.5%	Increase in benefit with 5.8%	Decrease in benefit with 3.3%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some assumptions may be correlated. Discount rate at year end 2013 is the rate for covered bonds, in accordance with guidelines released by Norwegian Accounting Standard Board.

Defined contribution plan

Several of the Group companies have defined contribution plans in accordance with local legislation. The defined contribution plans cover full-time employees.

(USD 1 000)	2013	2012
Defined contribution cost (USD 1 000)	3 217	5 635
Number of employees	958	1 261

Some of the Group's Norwegian subsidiaries are bound to have mandatory occupational pension scheme pursuant to the Norwegian law of Occupational pension scheme. The Group's pension scheme meets the requirements of this Act.

NOTE 10 NON-CURRENT ASSETS

(USD 1 000)	Real estate	Ships and newbuilding contracts	Periodic maintenance	Tank terminals	Office equipment and cars	Total
Net carrying amount 01.01.2012	38 588	1 252 925	37 319	591 318	43 455	**1 963 603**
Investment	926	107 416	29 250	64 716	10 033	**212 341**
Sale at book value	–	(46 297)	–	–	(343)	**(46 642)**
Depreciation and impairment 2012	(2 492)	(54 748)	(33 595)	(32 693)	(7 973)	**(131 501)**
Exchange rate differences	(1 056)	639	–	1 731	(284)	**1 029**
Net carrying amount 31.12.2012	**35 966**	**1 259 937**	**32 973**	**625 070**	**44 886**	**1 998 832**
Investment	9 294	118 044	23 721	128 113	4 539	**283 711**
Sale at book value	–	(26 818)	(997)	(200 595)	(2 938)	**(231 348)**
Depreciation and impairment 2013	(2 667)	(56 496)	(25 688)	(52 184)	(6 492)	**(143 523)**
Exchange rate differences	(404)	134	–	(8 012)	2 969	**(5 317)**
Net carrying amount 31.12.2013	**42 189**	**1 294 800**	**30 009**	**492 392**	**42 964**	**1 902 355**
Cost	58 227	2 008 830	37 319	865 878	94 472	**3 064 727**
Accumulated depreciation	(19 639)	(755 905)	–	(274 561)	(51 017)	**(1 101 123)**
Net carrying amount 01.01.2012	**38 588**	**1 252 925**	**37 319**	**591 318**	**43 455**	**1 963 603**
Cost	58 097	2 070 590	32 973	897 514	103 875	**3 163 049**
Accumulated depreciation	(22 131)	(810 653)	–	(272 444)	(58 990)	**(1 164 218)**
Net carrying amount 01.01.2013	**35 966**	**1 259 937**	**32 973**	**625 070**	**44 885**	**1 998 832**
Cost	66 983	2 161 949	55 697	817 020	108 445	**3 210 094**
Accumulated depreciation	(24 794)	(867 149)	(25 688)	(307 170)	(65 482)	**(1 290 283)**
Impairment	–	–	–	(17 458)	–	**(17 458)**
Net carrying amount 31.12.2013	**42 189**	**1 294 800**	**30 009**	**492 392**	**42 963**	**1 902 355**

Capital gain (loss) on non-current assets
In 2013 capital loss from sale of ships was USD 8.6 million (USD 4.6 million on gain in 2012).

Depreciation periods
Non-current assets are depreciated on a straight-line basis over their estimated useful lives as follows (in years):

– Real estate	up to 50
– Ships	25–30
– Periodic maintenance	2.5–5
– Main components of tank terminals	10–40
– Office equipment and cars	3–15

Fully depreciated non-current assets
Assets with a total cost price of USD 3.9 million have been fully depreciated as at 31 December 2013, but are still in use.

Assets financed under finance leases
The carrying amount of ships financed under finance leases were USD 197.6 million and USD 248 million at 31 December 2013 and 31 December 2012 respectively. See note 2.6.

Capitalised interest on newbuilding contracts
Newbuilding contracts include capitalised interest in connection with the financing of the newbuilding programme. The capitalised interest carried in the balance sheet equalled USD 2.2 million in 2013 and USD 1.7 million in 2012.

Change in residual value
The residual values are evaluated on a regular basis and changes have an effect on future depreciations. During 2013 the market value for demolition of ships has been changed from USD 420 per lightweight tonne at the beginning of the year to USD 425 per lightweight tonne at the end of the year.

Odfjell announced 18 June that the transaction with Lindsay Goldberg to expand the joint venture to include substantially all of the Odfjell's tank terminals business globally had been closed. As part of the transaction, Lindsay Goldberg has acquired a 49% interest in Odfjell Terminals AS ('OTAS'), the holding company for Odfjell's tank terminals activities. In exchange for a 49% share in OTAS, Lindsay Goldberg made a cash investment in OTAS, by way of a capital increase of USD 219.2 million. OTAS is now owned 51% by Odfjell and 49% by Lindsay Goldberg. Odfjell realized a book gain of USD 24.5 million related to the transaction.

NOTE 11 INTANGIBLE ASSETS

Intangible assets acquired through business combinations have been allocated to four individual CGUs as follows:

(USD 1 000)	Odfjell Terminals (Rotterdam) BV	Oiltanking Odfjell Terminal Singapore Pte Ltd	Odfjell Terminals (Houston) Inc.	Odfjell Terminals (Jiangyin) Co Ltd	Total
GOODWILL:					
Book value 01.01.2012	34 901	5 443	35 241	–	**75 584**
Exchange rate effect	11	346	–	–	**357**
Held for sale	–	(2 837)	–	–	**(2 837)**
Book value 31.12.2012	**34 912**	**2 952**	**35 241**	**–**	**73 105**
Book value 01.01.2013	34 912	2 952	35 241	–	**73 105**
Allocated fair value assets	–	–	–	744	**744**
Impairment	(36 975)	–	–	–	**(36 975)**
Exchange rate effect	2 063	(115)	–	(12)	**1 936**
Book value 31.12.2013	**–**	**2 837**	**35 241**	**732**	**38 810**

(USD 1 000)	Odfjell Terminals (Rotterdam) BV	Oiltanking Odfjell Terminal Singapore Pte Ltd	Odfjell Terminals (Houston) Inc.	Odfjell Terminals (Jiangyin) Co Ltd	Total
CUSTOMER RELATIONSHIP:					
Book value 01.01.2012	33 925	–	5 669	–	**39 594**
Depreciation	(3 504)	–	(588)	–	**(4 092)**
Exchange rate effect	1 212	–	–	–	**1 212**
Book value 31.12.2012	**31 633**	**–**	**5 081**	**–**	**36 714**
Book value 01.01.2013	31 633	–	5 081	–	**36 714**
Allocated fair value assets	–	–	–	440	**440**
Depreciation	(3 509)	–	(584)	(8)	**(4 101)**
Impairment	(26 905)	–	–	–	**(26 905)**
Exchange rate effect	(1 219)	–	–	–	**(1 219)**
Book value 31.12.2013	**–**	**–**	**4 497**	**432**	**4 929**
Intangible assets 31.12.2013	**–**	**2 837**	**39 738**	**1 164**	**43 739**

Customer relationships are depreciated on a straight-line basis over ten years.

In 2013 the existing joint venture with Linsay Goldberg LLC was expanded, and allocation of fair value assets occurred for Odfjell Terminals (Jiangyin) Co Ltd.

NOTE 12 IMPAIRMENT OF NON-CURRENT ASSETS AND INTANGIBLE ASSETS

The Management has evaluated the need for potential impairment losses in accordance with the accounting principles in note 2.2 for each CGU.

As at 31 December 2013, the market capitalization of the Group was below the book value of its equity, indicating a potential impairment of intangible assets and of assets of the operating segments. In addition, the on-going uncertainty in business activity and thereof weak earning, have also indicated a potential impairment. Goodwill is tested for impairment on annual basis as required by IFRS.

The discount rate for the different CGUs has been determined to the weighted average cost of capital (WACC).

Chemical Tankers and LPG/Ethylene:
For Odfjell's shipping activity the net present value of future cash flows has been calculated based on expected time-charter earnings and estimated level of operating expenses for each ship over the remaining useful life of the ship. The net present value of future cash flows was based on WACC of

	2013	2012
Chemical Tankers:	7.0%	6.0%
LPG/Ethylene:	6.5%	n/a

Shipowning companies are all within tax regimes where tax rates are assumed to be 0%.

In our assumptions we believe in a better balance of supply and demand for tonnage and that we will see a growth in the time-charter earning in the years to come. Odfjell has used estimates that will bring time-charter earning back to 2007/08 level within a couple of years.

Regarding LPG/Ethylene carriers this is a new established business segment within Odfjell. Both ships were bought in 2012.

Sensitivity for 2013 is shown in section 2.2.

For 2012, if the WACC increased with 1%, the value in use for owned ships would decrease the recoverable amount with USD 110 million. Such change would not result in any impairment loss. The recoverable amount would equal the carrying amount if the WACC was 8.9% and the time-charter earnings are decreased with 8.3%.

Tank Terminals:

Odfjell Terminals (Houston) and Oiltanking Odfjell Terminal (Singapore)
Net present value is calculated based on prognosis related to earnings, expenses and capital expenditure for the coming years. After five years an indefinite terminal value is estimated, based on Gordons' Growth model. Growth in steady state is set to 2%. The net present value was based on a WACC of 6.4% in 2013 and 6% in 2012. When estimating value in use we have estimated a post-tax cash flow and discounted these with a post-tax rate. The pre-tax discount rate in 2013 is approximately 8.8%.

EBITDA margin used when testing the carrying amount of our investment in these terminals (including fixed assets, customer relationship and goodwill) is 50%.

For both our partly owned terminals in Houston and Singapore we have seen stable earnings for many years and we have no indicators that this will change going forward.

Odfjell Terminals (Rotterdam) (OTR)
Goodwill and customer relationship associated with the investment in OTR is written down to zero at the year end. In addition, some of the fixed assets were also impaired. In total it was recognised an impairment loss of USD 81.3 million.

The terminal is regarded as one CGU.

When calculating the value in use, we have estimated cash flows for the CGU in its current use over the remaining useful life of the assets. The CGU consists of assets with different estimated useful lives. The longest living assets have an estimated useful life that ends in 2062. Hence, the estimated cash flows are estimated for the period 2014–2062.

The pre-tax discount rate that returns the pre-tax cash flows to its recoverable amount (value in use) is estimated to 7.55%.

When estimating the value in use, we have assumed three scenarios; base case, worst case and improved case. The estimated recoverable amount is the weighted outcome of these three scenarios.

When calculating value in use, the CGU's normalised EBITDA margin is approximately 41% (base case).

Estimating value in use also involves estimating level of capital expenditure necessary to maintain the CGU operational during the cash flow period (2014–2062). The CGU's current conditions require substantial investments. When estimating these investments, we have used our best estimate of what would be the most likely outcome of refurbishment and or newbuilding of tank-pits.

In 2012 no impairment loss was recognised. If the discount rate applied (6%) was changed to 6.7%, the recoverable amount would equal the carrying amount.

NOTE 13 EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by weighted average number of ordinary shares outstanding during the year. Basic and diluted earnings per share are the same, as the Company has no convertible bond loan or stock option plan.

(USD 1 000)	2013	2012
PROFIT AND DILUTED PROFIT FOR THE YEAR DUE TO HOLDERS OF ORDINARY SHARES		
Profit/(Loss) and diluted profit for the year due to the holders of ordinary shares	(107 522)	(110 844)
AVERAGE NUMBER OF SHARES OUTSTANDING (NOTE 33)		
Weighted average number of ordinary shares for basic earnings per share*/diluted average number of shares outstanding	79 390	80 603
Basic/diluted earnings per share	(1.36)	(1.37)

*) The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. On 1 October 2012 Odfjell SE entered into a Total Return Swap (TRS) agreement with DNB Markets. The TRS comprised 5,891,166 A shares and 2,322,482 B shares with pre agreed strike prices. The TRS was terminated 5 February 2013.

NOTE 14 GOVERNMENT GRANTS

Government grants from the Norwegian Maritime Directorate related to the reimbursement system for Norwegian seafarers of USD 2.9 million in 2013 (USD 3.2 million in 2012) are entered into the accounts as a reduction in operating expenses.

Flumar Transportes de Quimicos e Gases Ltda received USD 3.4 million in 2013 (USD 2.1 million in 2012) in AFRMM (Additional Freight for the Merchant Marine Renewal), which is a freight contribution for cargoes shipped by Brazilian flag vessels on the Brazilian coast. The AFRMM are recognised where there is a reasonable assurance that the AFRMM will be received and all associated conditions will be fulfilled. When the benefit refers to an expense item, it is recognised as reduction in expenses over the period of benefit, on a systematic basis in relation to costs the benefit aims to offset.

NOTE 15 TRANSACTIONS WITH RELATED PARTIES

The Group has carried out various transactions with related parties. All transactions have been carried out as part of the ordinary operations.

The Odfjell Group shares offices in Brazil with a local terminal company related to Directors of the Board, Laurence Ward Odfjell (Chairman) and Bernt Daniel Odfjell (Director). The Directors' family also has ownership interest in a company, which acts as Brazilian port agent for Odfjell. In addition to reimbursement of actual expenses and expenditures incurred, Odfjell Tankers AS and Flumar Transportes de Quimicos e Gases Ltda paid these companies USD 1.6 million in agency fees in 2013 (USD 1.5 million in 2012), while Flumar Transportes de Quimicos e Gases Ltda and Odfjell Brasil – Representacoes Ltds paid USD 0.4 million for administrative services in 2013 (USD 0.4 million in 2012).

AS Rederiet Odfjell, jointly controlled by Laurence Ward Odfjell (Chairman) and Bernt Daniel Odfjell (Director), rents office premises and buys limited administrative services from Odfjell Management AS in Bergen, for which Odfjell Management AS received USD 0.1 million in 2013 (same as in 2012).

Transactions with related parties are settled on a regular basis and the balances as per 31.12.2013 were immaterial.

NOTE 16 COMMITMENTS, GUARANTEES AND CONTINGENCIES

Operating leases

The Group has entered into several operating leases for ships. The leases have fixed time-charter commitment. The time-charter rate is the compensation to the shipowner covering this financial expenses and in some cases also the ship operating expenses. In addition the Group has floating time-charter arrangements where payments equal the earnings generated by the ships. See note 20 for the time-charter/lease expenses.

The Group also has entered into operating leases for land, buildings and certain vehicles and items of machinery. Leases for land and buildings are generally non-cancellable and long-term. Leases for certain vehicles and items of machinery have an average period of between three and five years with no renewal option in the contracts.

The operating leases contain no restrictions on the Company's dividend policy or financing opportunities.

The nominal value of future rents related to the operating lease fall due as follows:

(USD 1 000)	2013	2012
Within one year	180 502	152 838
After one year but not more than five years	424 016	299 714
After five years	185 881	112 413
Total operating leases	**790 398**	**564 965**

Capital commitments

Odfjell has entered into agreements with Hyundai Mipo Dockyard Ltd in Korea for construction of four 46,000 dwt coated chemical tankers. Two of the vessels are financed through a long-term sale/lease-back arrangement and the two remaining vessels are being financed through export credit financing in combination with a commercial tranche. Delivery is between March and July in 2014.

In September 2013 Odfjell signed shipbuilding contracts with Nantong Sinopacific Offshore & Engineering Co., Ltd for the construction of four LPG/Ethylene carriers of 17,000 cbm. Deliveries are scheduled between October 2015 and May 2016. We have secured options for delivery of up to four additional gas carriers. We are in discussions with banks regarding financing of the newbuildings.

(USD MILL)	Contract price	Installment paid	Remaining commitment 2014	2015	2016
Hyundai Mipo	158	48	110	–	–
Nantong Sinopacific	181	18	18	81	63

The Company's share of capital commitments from Odfell Terminals AS is USD 34.7 million

Guarantees

(USD 1 000)	2013	2012
Total guarantees	**101 029**	72 928

The Odfjell Group has issued guarantees to third parties as part of our day-to-day business to assume responsibility for bunkers purchases, port obligations, credit facilities, charter party agreements and operating lease commitments.

Odfjell SE has issued a guarantee on behalf of Odfjell Terminals (Rotterdam) BV for an existing loan with total amount of USD 136 million, of which USD 66.8 million is included in table above as guarantee for third parties.

Contingencies

The Company maintains insurance coverage for its activities consistent with industry practice. The Company is involved in claims typical to the chemical tanker, LPG/Ethylene and tank terminal industry, but none of these claims have resulted in material losses for the Company since such claims have been covered by insurance.

NOTE 17 AVAILABLE-FOR-SALE INVESTMENTS

(USD 1 000)	Currency	Average interest rate 2013	Book value 2013	Book value 2012
Bonds and certificates issued by financial institutions	USD	0.77%	9 658	11 285
Bonds and certificates issued by financial institutions	NOK		–	5 449
Total available-for-sale investments			**9 658**	**16 734**

Book value equals market value. Market value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. In 2013 there was no material gain/loss recognised directly to statement of other comprehensive income (unrealised gain of USD 1.2 million in 2012). Bonds and certificates generally have interest rate adjustments every three months.

NOTE 18 CASH AND CASH EQUIVALENTS

Cash at banks earn interest at floating rates based on bank time deposit rates. Short-term deposits and other liquid investments are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term rates. Restricted cash of USD 2.7 million (USD 2.9 million in 2012) consist of funds for withholding taxes relating to employees in Odfjell Management AS and Odfjell Maritime Services AS. The cash and cash equivalents do not include available credit facilities.

(USD 1 000)	2013	2012
Cash at banks and in hand	139 919	97 136
Short-term deposits	12 591	43 936
Other liquid investments	96	29 685
Effect from currency exchange rate fluctuations	(481)	(299)
Held for sale	–	(17 335)
Total cash and cash equivalents	**152 124**	**153 123**
Available credit facilities	–	93 670

NOTE 19 VOYAGE EXPENSES

Voyage expenses are expenses directly related to the ship voyage.

(USD 1 000)	2013	2012
Port expenses	92 778	93 159
Canal expenses	22 376	23 092
Bunkers expenses [1]	281 675	318 361
Transhipment expenses	20 321	24 197
Commission expenses	23 508	23 342
Other voyage related expenses	50 760	50 240
Total voyage expenses	**491 418**	**532 391**

[1] Includes bunkers hedging

NOTE 20 TIME-CHARTER EXPENSES

Time-charter expenses consist of expenses for operating leases, see note 16 for future obligations.

(USD 1 000)	2013	2012
Floating time-charter expenses	46 252	49 136
Other time-charter expenses	118 786	124 021
Total time-charter expenses	**165 038**	**173 157**

Time-charter is an arrangement for hire of a ship. These arrangements vary in form and way of payment and period of hire may differ from time to time. Bare-boat arrangements are also included in this note. See Glossary for additional comments.

NOTE 21 OPERATING EXPENSES

Operating expenses consist of expenses for operating ships and terminals (for example wages and remunerations for crew and operational personnel, and materials and equipment for ships and terminals).

(USD 1 000)	2013	2012
Salary expenses (note 23)	113 938	128 296
Cost of operations terminals	51 609	48 716
Cost of operations ships	96 654	108 485
Cost of operations LPG/Ethylene	6 049	1 916
Tonnage tax	120	127
Currency hedging	(758)	(2 262)
Total operating expenses	**267 611**	**285 278**

NOTE 22 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of expenses from headquarter's activities and activities outside Bergen for brokerage, agency and general administration in tank terminals.

(USD 1 000)	2013	2012
Salary expenses (note 23)	82 921	86 650
Other expenses	42 695	43 130
Currency hedging	(253)	(1 204)
Total general and administrative expenses	**125 363**	**128 576**

Including in the above is auditor's remuneration for:

(USD 1 000 exclusive VAT)	2013	2012
Statutory auditing	942	798
Other assurance services	191	168
Tax advisory services	944	220
Other non-audit services	495	306
Total remuneration	**2 571**	**1 492**

The increased amounts on tax advisory and non-audit services are basically due to reorganisations in 2013.

NOTE 23 SALARY EXPENSES, NUMBER OF EMPLOYEES AND BENEFITS TO BOARD OF DIRECTORS AND MANAGEMENT

Salary expenses are included in operating and general and administrative expenses according to the activity.

(USD 1 000)	2013	2012
Salaries	157 866	167 901
Social expenses	22 814	29 848
Pension expenses defined benefit plans (note 9)	11 371	9 903
Pension expenses defined contribution plans (note 9)	3 217	5 635
Other benefits	1 592	1 659
Total salary expenses	**196 859**	**214 946**

Average man-years of employees:

	2013	2012
Europe	800	858
North America	167	164
Southeast Asia	1 883	2 020
South America	148	178
Other	450	431
Total average man-years of employees	**3 446**	**3 651**

At the end of 2013 the Board of Directors consists of six members. Compensation and benefits to the Board of Directors:

(USD 1 000)	2013	2012
Total remuneration	**653**	515

For more specification – see Odfjell SE note 16.

Compensation and benefits to the Management Group:

(USD 1 000)	Salary	Bonus	Pension cost	Other benefits	Total
President/CEO, Jan A. Hammer	605	67	97	27	795
Senior Vice President QHSE, Toralf Sørenes	203	–	71	25	299
Senior Vice President/CFO, Terje Iversen	305	67	42	27	440
Senior Vice President Corporate Investments, Tore Jakobsen	332	24	104	27	488
Senior Vice President Corporate Services & Support, Harald Fotland	311	45	45	25	425
Senior Vice President Ship Management, Helge Olsen	285	–	107	27	420
Senior Vice President Odfjell Tankers, Morten Nystad	380	27	78	27	512
Senior Vice President Gas Carriers, Knut H. Holsen	284	–	63	27	373
Interim President Odfjell Terminals BV, Åke Gregertsen**	459	–	5	–	464
President Odfjell Terminals AS, , Dave Ellis***	212	150	4	10	376
Total	**3 376**	**379**	**616**	**221**	**4 592**

*) The figures show total compensation and benefits for the whole year.

**) Interim President Odfjell Terminals BV until 31 March, 2013, consultant until 31 October, 2013, member of the Board of Directors from 6 May, 2013.

***) Dave Ellis is the president of the joint venture Odfjell Terminals AS, and receives his remuneration from this company. Remuneration to Dave Ellis is included with 100%. Dave Ellis is included in separate incentive scheme linked to the performance of the joint venture. No provisions have been made in the 2013 accounts related to this scheme.

The Board of Directors declaration of determination of salary and other remuneration to the general manager and other management employees.

Regarding The Public Limited Liability Companies Act § 6-16a The Board of Directors shall prepare a separate declaration for determination of salary and other remuneration to the President/CEO and other management employees. Additionally is followed from of The Public Limited Liability Companies Act § 5-6 (3) that the ordinary General Meeting shall also deal with the Board's declaration regarding the determination of salary and other remuneration to management employees. An advisory vote is to be held on the Board's guidelines for determining the managers' salaries for the coming year (See (2)).

The guidelines for share based programmes and remuneration linked to shares and other developments in the price of the Company's shares are to be approved by the General Meeting. Ref. § 6-16 (subsection 1 no 3.)

(1) Salary and other remuneration to management employees are listed in the table above.

(2) Guidelines for determining salary and other remuneration for management employees.

When it comes to guidelines for determination of salary and other remuneration for the coming fiscal year, the Board will present the following guidelines for advisory vote at the General Meeting 2014:

The President/CEO and managers reporting directly to him is included in the Company's defined benefit pension plan or defined contribution plan, see note 9. For the Management the Company has an unfunded additional pension scheme covering salary over 12G, capped to 18G. This implies that 66% of the salary basis between 12G and 18G is covered in this additional scheme.

The Management shall be offered competitive terms of employment in order to ensure continuity in the Management and to enable the Company to recruit qualified personnel. The remuneration should be composed so that it promotes the creation of values in the Company. The remuneration shall not be of such a kind, or of such a magnitude, that it may impair the public reputation of the Company.

A basic, straight salary is the main component of the remuneration. However, in addition to a basic salary there may also be other supplementary benefits, hereunder but not limited to payment in kind, incentive/recognition pay, termination payments and pension and insurance schemes.

The Company does not run any share option schemes, nor other benefit programmes as mentioned in the Public Limited Companies Act, section 6-16 subsection 1 no. 3. As the Company has no such arrangements, no specific limits regulating the different categories of benefits or the total remuneration of Management have been defined.

The Board has implemented a performance-related incentive scheme which is linked to the Company's earnings performance and defined operational goals over time and contains a cap of maximum six months' salary. If the performance-related incentive scheme does not meet trigger points for payments, the Board may on a discretionary basis grant recognition payments for certain employees including Management. Members of Management have no defined agreement with regards to severance payments. Remuneration to Management in 2013 was in compliance with the above guidelines.

Management employee loans are generally secured by car mortgages. Loans to the members of Management carry an interest of 2.25% per annum and repayment period is five years. Members of the Management have loans from the Company as follows: Morten Nystad (USD 0.07 million) and Helge Olsen (USD 0.09 million).

NOTE 24 BUSINESS COMBINATIONS

No material business combinations occurred in 2013 or 2012.

NOTE 25 SUBSEQUENT EVENTS

No special issues.

NOTE 26 OTHER FINANCIAL ITEMS

(USD 1 000)	2013	2012
Realised gain/losses on available-for-sale-investments	418	469
Financial assets and liabilities at fair value through the statement of comprehensive income	7 756	(6 734)
Other financial income	2 650	1 278
Other financial expenses	(11 956)	(10 554)
Total other financial items	**(1 131)**	**(15 542)**

The negative net result on other financial items in 2013 was basically interest derivatives to secure a low interest rate that is not accounted for as hedging, and expenses related to new loans.

See note 5 for overview of hedging exposure.

NOTE 27 CURRENCY GAINS (LOSSES)

(USD 1 000)	2013	2012
Currency hedging contracts	(94)	(3 372)
Non-current receivables and liabilities	6 317	3 126
Cash and cash equivalents	726	229
Other current assets and current liabilities	206	(2 485)
Total currency gains (losses)	**7 156**	**(2 502)**

See note 5 for overview of currency hedging exposure.

NOTE 28 NON-CURRENT RECEIVABLES

(USD 1 000)	2013	2012
Loans to employees	842	974
Prepayment of land use right	18 059	10 453
Prepayment of lease	–	21 212
Other non-current receivables	14 398	27 090
Held for sale	–	(9 114)
Change due to pension	–	(1 637)
Total non-current receivables	**33 299**	**48 977**

There is nothing material past due or impaired.

NOTE 29 CURRENT RECEIVABLES

(USD 1 000)	2013	2012
Trade receivables	106 969	116 505
Other receivables	47 961	22 505
Pre-paid costs	5 168	10 574
Provisions for bad debt	(4 927)	(4 144)
Held for sale	–	(6 281)
Total current receivables	**155 171**	**139 159**

Trade receivables are from a wide range of customers within our shipping and tank terminal business. Credits are granted to customers in the normal course of business. The Company regularly reviews its accounts receivable and makes allowances for uncollectible amounts. The amounts of the allowance are based on the age of the unpaid balance, information about the current financial condition of the customer, any disputed items and other relevant information.

As at 31 December, the ageing analysis of trade receivables and other current receivables are as follows:

			Past due, but not impaired			
(USD 1 000)	Total	Not past due nor impaired	←30 days	30–60 days	60–90 days	→90 days
2013	**154 929**	**86 720**	**21 000**	**25 345**	**3 393**	**18 471**
2012	139 010	76 662	34 935	8 438	5 027	13 948

Movement in provisions for bad debt:

(USD 1 000)	2013	2012
Total provision for bad debt 1 January	4 144	4 657
This year's expenses	62	835
Write-off this year	438	(1 386)
Reversed provisions	267	38
Currency differences	15	–
Total provision for bad debt per 31 December	**4 927**	**4 144**

The table below summarizes total current receivables into different currencies:

(USD 1 000)	2013	2012
USD	101 678	96 973
EUR	41 565	27 107
SGD	2 138	3 501
RMB	1 239	3 953
WON	1 079	1 853
Other	7 472	5 773
Total current receivables	**155 171**	**139 159**

NOTE 30 OTHER CURRENT LIABILITIES

(USD 1 000)	2013	2012
Trade payables	42 127	36 644
Estimated voyage expenses	43 659	40 472
Provisions	3 322	1 738
Interest accrual	4 845	6 552
Ship Management accruals	4 623	5 014
Accrual expenses	12 800	–
Other current liabilities	39 672	28 102
Held for sale	–	(12 493)
Total other current liabilities	**151 048**	**106 030**

The table below summarizes the maturity profile of the Group's other current liabilities:

(USD 1 000)	Total	On demand	← 3 months	3-6 months	6-9 months	→ 9 months
2013	**151 048**	**94 782**	**46 135**	**8 900**	**195**	**1 037**
2012	106 030	97 998	5 531	1 149	687	665

The table below summarizes other current liabilities into different currencies:

(USD 1 000)	2013	2012
USD	111 640	63 969
EUR	16 289	24 688
SGD	4 337	3 367
RMB	7 816	7 688
WON	1 907	1 632
Other currencies	9 059	4 685
Total other current liabilities	**151 048**	**106 030**

NOTE 31 OTHER NON-CURRENT LIABILITIES

(USD 1 000)	2013	2012
Provision for dismantling cost	2 299	4 590
Provisions for claims	2 115	5 703
Other non-current liabilities	(1 868)	3 755
Held for sale	–	(3 873)
Total other non-current liabilities	**2 546**	**10 175**

NOTE 32 BUNKERS AND OTHER INVENTORIES

(USD 1 000)	2013	2012
Bunkers	32 876	32 913
Other inventories	3 684	4 441
Held for sale	–	(492)
Total bunkers and other inventories	36 560	36 862

NOTE 33 SHARE CAPITAL AND PREMIUM

	Number of shares (thousand)		Share capital (USD 1 000)		Share premium (USD 1 000)	
	2013	2012	2013	2012	2013	2012
A shares	65 690	65 690	22 277	22 277	130 511	40 507
B shares	21 079	21 079	7 148	7 148	41 877	12 998
Total	86 769	86 769	29 425	29 425	172 388	53 504

The number of shares are all authorised, issued and fully paid. Nominal value is NOK 2.50, equivalent to USD 0.41 as at 31.12.2013. All shares have the same rights in the Company, except that B shares have no voting rights.

Shares owned/controlled by members of the Board of Directors, President/CEO and other members of the Management Group (including related parties):

	2013		2012	
	A shares	B shares	A shares	B shares
Executive Chairman of the Board of Directors, Laurence Ward Odfjell	25 966 492	2 578 994	25 966 492	1 755 076
Director, Bernt Daniel Odfjell	–	2 032	–	2 032
Director, Åke Gregertsen	3 000	–	3 000	–
President/CEO, Jan A. Hammer	–	23 200	–	23 200
Senior Vice President, Corporate Investments, Tore Jakobsen	–	–	–	10 000
Senior Vice President, QHSE, Toralf Sørenes	11 000	–	10 000	–

No dividend paid in 2012 and no further dividend proposed for 2013.

20 largest shareholders as per 31 December 2013:

	Name	A shares	B shares	Total	Percent of votes	Percent of shares
1	Norchem AS	25 966 492	2 415 094	28 381 586	43.42%	32.71%
2	Odfjell SE[2]	5 891 166	2 322 482	8 213 648	–	9.47%
3	Svenska Handelsbanken AB [1]	2 495 105	2 143 110	4 638 215	4.17%	5.35%
4	JP Morgan Clearing Corp. [1]	3 564 607	–	3 564 607	5.96%	4.11%
5	Rederiet Odfjell AS	3 497 472	–	3 497 472	5.85%	4.03%
6	Odfjell Shipping Bermuda Ltd.	2 750 000	715 760	3 465 760	4.60%	3.99%
7	Pareto Aksje Norge	2 073 898	1 285 370	3 359 268	3.47%	3.87%
8	Six SIS AG [1]	1 071 400	1 600 800	2 672 200	1.79%	3.08%
9	Fondsfinans Spar	1 980 000	–	1 980 000	3.31%	2.28%
10	Pareto Aktiv	875 199	541 323	1 416 522	1.46%	1.63%
11	Skagen Vekst	1 222 521	–	1 222 521	2.04%	1.41%
12	The Northern Trust Co [1]	86 679	879 400	966 079	0.14%	1.11%
13	KLP Aksje Norge VPF	726 450	223 534	949 984	1.21%	1.09%
14	Odin Maritim	–	900 000	900 000	–	1.04%
15	Ses AS	210 000	690 000	900 000	0.35%	1.04%
16	Six SIS AG [1]	550 000	288 500	838 500	0.92%	0.97%
17	AS SS Mathilda	600 000	150 000	750 000	1.00%	0.86%
18	Berger	732 400	–	732 400	1.22%	0.84%
19	Frank Mohn AS	–	700 000	700 000	–	0.81%
20	Pareto Verdi	421 445	261 420	682 865	0.70%	0.79%
	Total 20 largest shareholders	54 714 834	15 116 793	69 831 627	81.65%	80.48%
	Other shareholders	10 975 410	5 961 911	16 937 321	18.35%	19.52%
	Total	65 690 244	21 078 704	86 768 948	100.00%	100.00%
	International shareholders	35 299 017	7 921 265	43 220 282	59.03%	49.81%

[1] Nominee account
[2] No voting rights for own shares ref. Public Limited Companies Act § 5 - 4

All treasury shares were bought in 2013 and are held by Odfjell SE per end of 2013.

The Extraordinary General Meeting on 2 October 2012 authorised the Board of Directors to acquire up to 10% of the Company's share capital. This authorisation expires 2 April 2014. The purpose of purchasing own shares is to enhance shareholders' value. The Board of Directors regularly considers investments in own shares when it may be beneficial for the Company.

NOTE 34 LIST OF SUBSIDIARIES

The following subsidiaries are fully consolidated in the financial statements as per 31 December 2013:

Company	Country of registration	Ownership share	Voting share
Odfjell Argentina SA	Argentina	100%	100%
Odfjell Australia Pty Ltd	Australia	100%	100%
Odfjell Chemical Tankers Ltd	Bermuda	100%	100%
Flumar Transportes de Quimicos e Gases Ltda	Brazil	100%	100%
Odfjell Brasil Ltda	Brazil	100%	100%
Odfjell Chile Ltd	Chile	100%	100%
Odfjell Chemical Tankers (Germany) GmbH	Germany	100%	100%
Odfjell Japan Ltd	Japan	100%	100%
Odfjell Korea Ltd	Korea	100%	100%
Odfjell Netherlands BV	Netherlands	100%	100%
Norfra Shipping AS	Norway	100%	100%
Odfjell Chemical Tankers AS	Norway	100%	100%
Odfjell Chemical Tankers II AS	Norway	100%	100%
Odfjell Gas Carriers AS	Norway	100%	100%
Odfjell Gas Shipowning AS	Norway	100%	100%
Odfjell Insurance & Properties AS	Norway	100%	100%
Odfjell Management AS	Norway	100%	100%
Odfjell Maritime Services AS	Norway	100%	100%
Odfjell Projects AS	Norway	100%	100%
Odfjell Tankers AS	Norway	100%	100%
Odfjell Tankers Europe AS	Norway	100%	100%
Odfjell Terminals II AS	Norway	100%	100%
Odfjell Peru S.A.C.	Peru	100%	100%
Odfjell Ship Management Philippines Inc	Philippines	100%	100%
Odfjell Asia II Pte Ltd	Singapore	100%	100%
Odfjell Singapore Pte Ltd	Singapore	100%	100%
Odfjell Durban South Africa Pty Ltd	South Africa	100%	100%
Odfjell UK Ltd	United Kingdom	100%	100%
Odfjell Middle East JLT	United Arab Emirates	100%	100%
Odfjell USA (Houston) Inc	United States	100%	100%

NOTE 35 INVESTMENTS IN JOINT VENTURES

The Odfjell Group has the following investments in joint ventures, accounted for according to the proportional consolidation method as per 31 December 2013:

JOINT VENTURE	Country of registration	Business segment	Ownership share
Crystal Pool AS	Norway	Chemical Tankers	50.0%
OV Bermuda Ltd	Bermuda	Chemical Tankers	50.0%
Odfjell & Vapores Ltd	Bermuda	Chemical Tankers	50.0%
Odfjell y Vapores SA	Chile	Chemical Tankers	49.0%
Odfjell Ahrenkiel Europe Gmbh	Germany	Chemical Tankers	50.0%
Odfjell Makana SA	South Africa	Chemical Tankers	49.9%
Thembani Shipping SA	South Africa	Chemical Tankers	44.9%
Odfjell Terminals AS	Norway	Tank Terminals	51.0%
Odfjell Holdings (USA) Inc	United States	Tank Terminals	51.0%
Odfjell Terminals Management (US) Inc	United States	Tank Terminals	51.0%
Odfjell Terminals (Charleston) LLC	United States	Tank Terminals	51.0%
Odfjell Terminals (Houston) Inc	United States	Tank Terminals	51.0%
Odfjell USA Inc	United States	Tank Terminals	51.0%
Odfjell Terminals China Pte Ltd	China	Tank Terminals	51.0%
Odfjell Management Consultancy (Shanghai) Co Ltd	China	Tank Terminals	51.0%
Odfjell Terminals (Jiangyin) Co Ltd	China	Tank Terminals	28.1%
Odfjell Terminals Fujian (Quanzhou) Co Ltd	China	Tank Terminals	25.5%
Odfjell Terminals (Dalian) Co Ltd	China	Tank Terminals	25.5%
Odfjell Nangang Terminals (Tianjin) Co Ltd	China	Tank Terminals	25.0%
Odfjell Terminals (Korea) Co Ltd	South Korea	Tank Terminals	25.5%
Odfjell Terminals BV	Netherlands	Tank Terminals	51.0%
Odfjell Terminals General Partner BV	Netherlands	Tank Terminals	51.0%
Odfjell Terminals Lindsay Goldberg CV	Netherlands	Tank Terminals	51.0%
Odfjell Terminals Management BV	Netherlands	Tank Terminals	51.0%
Odfjell Terminals Maritiem BV	Netherlands	Tank Terminals	51.0%
Odfjell Terminals USA BV	Netherlands	Tank Terminals	51.0%
Odfjell Terminals (Europe) BV	Netherlands	Tank Terminals	51.0%
Odfjell Terminals (Rotterdam) BV	Netherlands	Tank Terminals	51.0%
Odfjell Terminals EMEA BV	Netherlands	Tank Terminals	51.0%
Oiltanking Odfjell Terminals (Oman) BV	Netherlands	Tank Terminals	21.7%
Oiltanking Odfjell Gmbh	Germany	Tank Terminals	49.9%
Odfjell Terminals Asia Pte Ltd	Singapore	Tank Terminals	51.0%
Odfjell Terminals (China) Pte Ltd	Singapore	Tank Terminals	51.0%
Oiltanking Odfjell Terminal Singapore Pte Ltd	Singapore	Tank Terminals	25.5%
Odfjell AP Port Holding Pte Ltd	Singapore	Tank Terminals	25.5%
Oiltanking Odfjell Terminals & Co LLC	Oman	Tank Terminals	15.2%
Exir Chemical Terminal (PJSCo)	Iran	Tank Terminals	35.0%

The share of result and balance sheet items for investments in joint ventures are included line by line in the accounts. The main figures below are included for each segment in the Group accounts:

	2013			2012		
(USD 1 000)	Chemical Tankers	Tank Terminals	Total	Chemical Tankers	Tank Terminals	Total
Gross revenue	71 526	126 263	**197 789**	165 811	138 390	304 201
Operating expenses	(1 999)	(76 861)	**(78 860)**	(2 051)	(80 599)	(82 649)
Net financial items	10	(6 174)	**(6 163)**	20	(15 136)	(15 116)
Net result	**862**	**(6 048)**	**(5 186)**	**2 652**	**(6 308)**	**(3 656)**
Non-current assets	10 210	501 650	**511 860**	7 957	574 844	582 801
Current assets	10 752	77 978	**88 730**	27 105	87 172	114 278
Total assets	**20 962**	**579 628**	**600 589**	**35 063**	**662 017**	**697 079**
Equity opening balance	11 206	275 873	**287 081**	10 476	298 362	308 839
Net result	862	(6 048)	**(5 186)**	2 652	(6 308)	(3 656)
Equity additions/adjustments	1 250	685	**1 935**	(2 000)	(25 684)	(27 684)
Exchange rate differences	(746)	(15 156)	**(15 903)**	78	9 502	9 579
Total equity closing balance	**12 572**	**255 354**	**267 927**	**11 206**	**275 873**	**287 079**

(USD 1 000)	2013 Chemical Tankers	2013 Tank Terminals	2013 Total	2012 Chemical Tankers	2012 Tank Terminals	2012 Total
Non-current liabilities	694	266 291	**266 985**	316	273 545	273 861
Current liabilities	7 713	57 968	**65 682**	23 541	112 598	136 139
Total liabilities	**8 407**	**324 260**	**332 667**	**23 857**	**386 144**	**410 000**
Net cash flow from operating activities	448	24 575	**25 023**	2 881	74 110	76 992
Net cash flow from investing activities	(4 900)	(23 694)	**(28 594)**	(2 928)	6 840	3 912
Net cash flow from financing activities	2 810	8 067	**10 877**	(2 008)	(97 750)	(99 758)
Uncalled committed capital	–	–	–	–	–	–

In 2012 Odfjell SE entered into a letter of intent to expand its existing joint venture with Lindsay Goldberg LLC to include substantially all of Odfjell's tank terminals business. This transaction was finalised in 3rd quarter in 2013 with the result that Lindsay Goldberg LLC acquired 49% interest in these tank terminals. The Exir Chemical Terminal, and the minority interests in the terminal in Ningbo, China, is not included in the mentioned transaction. In the financial statement for 2012 this transaction was treated as held for sale, and of the figures in the table above this is amounted to:

Assets held for sale	USD 223.7 million
Liabilities held for sale	USD 128.9 million

See also note 38 Held for sale.

See also note 10 Non-current assets and note 11 Intangible assets.

NOTE 36 INVESTMENTS IN ASSOCIATES

As Odfjell is involved as a Board Member and has influence in the below mentioned companies, they are accounted for as associated companies. Since both companies are unlisted, there are no quoted prices for a fair value consideration.

Entity (USD 1000)	Country	Segment	Ownership interest	Carrying amount
V.O. Tank Terminal Ningbo	China	Tank Terminals	12.5%	
Noord Natie Odfjell Terminal NV	Belgium	Tank Terminals	12.75%	
Investment in associates 01.01.2012				1 718
Investments				20 950
Exchange rate differences on translation				(147)
Dividend				(194)
Net income from associates 2012				825
Investment in associates 31.12.2012				**23 152**
Exchange rate differences on translation				(423)
Dividend received				(190)
Net income from associates 2013				338
Investment in associates 31.12.2013				**22 877**

A summary of financial information for our share of the associate:

(USD 1 000)	2013	2012
Gross revenue	5 658	3 334
Net result	1 102	825
Assets	11 825	10 899
Liabilities	5 893	5 489
Equity	5 938	5 410
Excess values	16 500	17 737

NOTE 37 FIGURES PRESENTED BASED ON EQUITY METHOD

Changes in IFRS 11 will have material effect in how Odfjell presents its joint arrangement. Odfjell has decided to wait until 1 January 2014 to implement the equity method. Below are figures presented based on the equity method.

(USD MILLION)	2013	2012
STATEMENT OF COMPREHENSIVE INCOME (EQUITY METHOD)		
Gross revenue	1 027	1 066
Net income from associates and joint ventures	(52)	(10)
Voyage expenses	(489)	(530)
Time-charter expenses	(164)	(173)
Operating expenses	(189)	(202)
Gross result	**134**	**150**
General and administrative expenses	(93)	(99)
Operating result before depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)	**41**	**50**
Depreciation	(89)	(98)
Capital gain (loss) on non-current assets	(9)	(6)
Operating result (EBIT)	**(57)**	**(54)**
Interest income	–	2
Interest expenses	(34)	(40)
Other financial items	1	(14)
Currency gains (losses)	(14)	(2)
Net financial items	**(46)**	**(54)**
Result before taxes	**(103)**	**(108)**
Taxes	(5)	(3)
Net result	**(108)**	**(111)**
STATEMENT OF FINANCIAL POSITION (EQUITY METHOD)		
Ships	1 255	1 185
Newbuilding contracts	64	103
Tank terminals	–	–
Other non-current assets	55	57
Investments in associates and joint ventures	375	332
Loan to associates and joint ventures	–	29
Non-current receivables	30	44
Total non-current assets	**1 780**	**1 750**
Current receivables	126	107
Bunkers and other inventories	35	36
Derivative financial instruments	4	7
Available-for-sale investments	10	17
Cash and cash equivalents	84	122
Total current assets	**260**	**288**
Net assets held for sale	–	95
Total assets	**2 040**	**2 133**
Paid in equity	199	80
Other equity	560	824
Non-controlling interests	–	7
Total equity	**759**	**914**
Non-current liabilities	28	49
Derivatives financial instruments	14	11
Non-current interest bearing debt	1 000	860
Total non-current liabilities	**1 043**	**920**
Current portion of interest bearing debt	124	183
Derivative financial instruments	9	24
Current liabilities	105	92
Total current liabilities	**237**	**299**
Total equity and liabilities	**2 040**	**2 133**

Under the equity method the Group's share of net result in associates and joint ventures for the year is included in net result. The Group's interests in joint ventures and associates are carried on the balance sheet at an amount that reflects its share of the net assets of the Company. The carrying value of investment in a joint venture or associate will never be negative, unless the Group has incurred or guaranteed obligations in respect of the Company. Goodwill is included in the carrying amount of the investment and is not amortized.

FINANCIAL RATIOS – EQUITY METHOD	2013	2012
Equity ratio	37.2%	42.9%

NOTE 38 HELD FOR SALE

In 2012 Odfjell SE entered into a letter of intent to expand its existing joint venture with Lindsay Goldberg LLC to include substantially all of Odfjell's tank terminals business (Odfjell Terminals (Rotterdam) and Odfjell Terminals (Houston) were included in 2011). The transaction was finalised in 3rd quarter 2013 and Lindsay Goldberg LLC acquired 49% interest in the tank terminals segment.

(USD 1 000)	2012
ASSETS	
Intangible assets	2 837
Real estate	2 805
Tank terminals	184 356
Office equipment and cars	521
Non-current receivables	9 114
Total non-current assets	**199 632**
Current receivables	6 281
Bunkers and other inventories	492
Cash and cash equivalents	17 335
Total current assets	**24 109**
Total assets	**223 741**
LIABILITIES	
Deferred tax liability	2 976
Pension liability	38
Non-current interest bearing debt	94 072
Derivatives financial instruments	4 381
Other non-current liabilities	3 873
Total non-current liabilities	**105 340**
Company taxes payable	525
Current portion of interest bearing debt	10 543
Current liabilities	12 493
Total current liabilities	**23 561**
Total liabilities	**128 900**

NOTE 39 EXCHANGE RATES OF THE GROUP'S MAJOR CURRENCIES AGAINST USD

	Norwegian kroner (NOK)		Euro (EUR)		Renminbi (RMB)		Singapore dollar (SGD)	
	Average	Year-end	Average	Year-end	Average	Year-end	Average	Year-end
2013	**5.89**	**6.08**	**0.75**	**0.73**	**6.08**	**5.99**	**1.25**	**1.26**
2012	5.83	5.59	0.78	0.76	6.24	6.16	1.25	1.22

FINANCIAL STATEMENT
ODFJELL SE

STATEMENT OF COMPREHENSIVE INCOME

(USD 1 000)	Note	2013	2012
OPERATING REVENUE (EXPENSES)			
Gross revenue	2	6 414	5 650
General and administrative expenses	16	(17 534)	(11 819)
Depreciation	7	(1 341)	(1 295)
Operating result (EBIT)		**(12 462)**	**(7 464)**
FINANCIAL INCOME (EXPENSES)			
Income on investment in subsidiaries	11	2 463	247 814
Interest income	11	24 417	18 616
Interest expenses	11	(33 819)	(42 712)
Other financial items	11	(3 041)	(15 397)
Currency gains (losses)	12	(20 088)	2 445
Net financial items		**(30 068)**	**210 766**
Result before taxes		**(42 530)**	**203 302**
Taxes	5	(2 143)	–
Net result		**(44 673)**	**203 302**
OTHER COMPREHENSIVE INCOME			
Cash flow hedges changes in fair value		1 632	4 286
Cash flow hedges transferred to profit and loss statement		1 187	(626)
Net gain/(loss) on available-for-sale investments		(28)	1 255
Other comprehensive income		**2 791**	**4 915**
Total comprehensive income		**(41 882)**	**208 217**

ODFJELL 100 years

STATEMENT OF FINANCIAL POSITION

Assets as per 31.12 (USD 1 000)	Note	2013	2012
NON-CURRENT ASSETS			
Real estate	7	12 147	12 958
Shares in subsidiaries	17	830 740	674 049
Shares in joint ventures	17	255 216	22 153
Loans to group companies and joint ventures	13, 14	501 896	606 259
Non-current receivables	14	–	16 882
Total non-current assets		**1 600 000**	**1 332 301**
CURRENT ASSETS			
Current receivables		10 071	62
Group receivables		4 002	230 712
Derivative financial instruments	3	258	6 014
Available-for-sale investments	15	9 658	16 732
Cash and bank deposits	18	186 125	133 356
Total current assets		**210 114**	**386 876**
Total assets		**1 810 113**	**1 719 177**

Equity and liabilities as per 31.12 (USD 1 000)	Note	2013	2012
EQUITY			
Share capital	6, 19	29 425	29 425
Treasury shares	6, 19	(2 785)	–
Share premium	6	172 388	53 504
Cash flow hedge reserve	6	(2 190)	(4 980)
Other equity	6	694 586	778 677
Total shareholders' equity		**891 424**	**856 626**
NON-CURRENT LIABILITIES			
Derivative financial instruments	3	14 420	10 711
Loans from subsidiaries	4	133 741	223 612
Long-term debt	4	615 589	445 355
Total non-current liabilities		**763 750**	**679 677**
CURRENT LIABILITIES			
Derivative financial instruments	3	9 198	23 744
Current portion of long-term debt	4	73 199	135 826
Other current liabilities		5 276	6 244
Loans from subsidiaries		67 267	17 060
Total current liabilities		**154 940**	**182 874**
Total liabilities		**918 689**	**862 551**
Total equity and liabilities		**1 810 113**	**1 719 177**
Guarantees	20	839 716	664 736

THE BOARD OF DIRECTORS OF ODFJELL SE

Bergen, 18 March 2014

LAURENCE WARD ODFJELL
Executive Chairman

JANNICKE NILSSON

BERNT DANIEL ODFJELL

ÅKE GREGERTSEN

IRENE WAAGE BASILI

CHRISTINE RØDSÆTHER

JAN ARTHUR HAMMER
President/CEO

STATEMENT OF CASH FLOW

(USD 1 000)	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES		
Net result before taxes	(42 530)	203 302
Taxes paid	(2 143)	–
Depreciation	1 341	1 295
Changes in the value of financial non-current assets	–	–
Exchange rate fluctuations	(6 850)	(2 445)
Dividends and (gain)/loss from sale of shares classified as investing activities	–	(22 102)
Other short-term accruals	(9 255)	(208 254)
Net cash flow from operating activities	**(59 436)**	**(28 203)**
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of non-current assets	(530)	–
Investment in non-current assets	–	(456)
Investment in subsidiaries and other shares	(205 687)	(38)
Dividend received	2 463	22 102
Change in available-for-sale investments	7 074	8 632
Changes in non-current receivables	16 882	1 442
Loans to/from subsidiaries	229 435	(35 949)
Net cash flow from investing activities	**49 637**	**(4 268)**
CASH FLOW FROM FINANCING ACTIVITIES		
New interest bearing debt	406 838	315 415
Repayment of interest bearing debt	(299 025)	(252 166)
Repurchase treasury shares	(42 201)	(1 819)
Sale of treasury shares	–	33 029
Net cash flow from financing activities	**65 612**	**94 460**
Effect on cash balances from currency exchange rate fluctuations	(3 044)	1 332
Net change in cash balances	**52 769**	**63 321**
Cash balances as per 01.01	133 356	70 035
Cash balances as per 31.12	**186 125**	**133 356**
Available credit facilities	–	93 670

NOTE 1 ACCOUNTING PRINCIPLES

The parent's separate financial statements have been prepared in accordance with the simplified IFRS, and are based on the same accounting principles as the Group statement with the following exceptions:

A. Derivative financial instruments and hedging
The Company enters into derivative financial instruments to reduce currency and bunkers exposure in subsidiaries. These instruments do not qualify for hedge accounting. Changes in fair value of these financial instruments are charged to the respective subsidiary and therefore not recognised in net result or the balance sheet.

B. Investments in subsidiaries and joint ventures
Subsidiaries and investments in joint ventures are valued at cost in the Company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. When testing for impairment, the carrying amount of the investment is tested for impairment in accordance with IAS 36 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with the carrying amount whenever application of IAS 39 indicates that the investment may be impaired.

C. Dividend and Group contribution
Proposed dividend and group contribution for the parent Company's shareholders are shown in the parent Company accounts as a liability at 31 December. The IAS 10, 12 and 13 is set aside so that dividends and Group contributions are recorded to correspond with the Norwegian Accounting Act.

ODFJELL 100 years

NOTE 2 GROSS REVENUE

Gross revenue is related to services performed for other Odfjell Group companies and renting of real estate, and is recognised as revenue in the period the service is delivered and the assets rented.

NOTE 3 DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses various derivative financial instruments to reduce fluctuations in earnings and cash flow caused by volatility in foreign exchange rates and interest rates. In addition the Company enters into derivative financial instruments to reduce currency and bunkers exposure in subsidiaries. Derivatives are classified as current asset/liability if payments occur within 12 months after the balance sheet date. Derivatives where payment takes place more than 12 months after the balance sheet date are classified as non-current.

See note 4 in the Group Financial Statements for more details regarding risk management.

Below overview shows status of hedging exposure per 31 December 2013 (figures in 1 000):

							Time to maturity - USD amounts			
Currency		Sold		Bought	Avg. Rate	← 1 year	1 - 5 years	→ 5 years	Total
Non hedge [1]	USD	13 000	NOK	83 655	6.44	13 000	–	–	**13 000**

[1] Weekly options, amount can be between 0 and USD 26 mill

				Time to maturity - USD amounts			
Interest rates			Avg. Rate	← 1 year	1 - 5 years	→ 5 years	Total
Cash flow hedging	USD	50 000	3.00%	–	50 000	–	**50 000**
Non hedge, IRS [1]	USD	275 000	2.76%	75 000	100 000	100 000	**275 000**

[1] All non hedge IRS' are classified as current assets

					Time to maturity - USD amounts			
Cross currency interest rate swaps				Avg. Rate	← 1 year	1 - 5 years	→ 5 years	Total
Non hedge	USD	296 230	From NOK to USD	6.31%	–	296 230	–	**296 230**

Below overview shows status of hedging exposure per 31 December 2012 (figures in 1 000):

						Time to maturity - USD amounts			
Currency					Avg. Rate	← 1 year	1 - 5 years	→ 5 years	Total
Non hedge	USD	17 806	NOK	100 000	5.62	17 806	–	–	**17 806**

				Time to maturity - USD amounts			
Interest rates			Avg. Rate	← 1 year	1 - 5 years	→ 5 years	Total
Cash flow hedging	USD	200 000	4.40%	150 000	50 000	–	**200 000**
Non hedge, IRS [1]	USD	275 000	2.76%	–	175 000	100 000	**275 000**

[1] All non hedge IRS' are classified as current assets

					Time to maturity - USD amounts			
Cross currency interest rate swaps				Avg. Rate	← 1 year	1 - 5 years	→ 5 years	Total
Non hedge	USD	273 973	From NOK to USD	6.10%	62 489	122 918	88 566	**273 973**

Odfjell SE held in addition to the derivatives above, FX forwards and bunkers swaps and options to reduce exposure in subsidiaries. These contracts are transferred to the respective subsidiary and therefore not recognised in Odfjell SE's separate financial statement. Fair values of these contracts are:

(USD 1 000)	2013	2012
Bunkers	3 133	3 089
Currency	485	1 898
Derivative financial instruments	**3 618**	**4 987**

Fair value of financial instruments

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. Derivative financial instruments and available-for-sale-investments are recorded in the balance sheet at the fair value at the balance sheet date. The fair value is obtained from active markets or based on third party quotes. For cash and cash equivalents and current liabilities the carrying amount is considered to be the best estimate of fair value of these instruments due to the short maturity date. Receivables are valued at nominal value reduced by any impairment. Carrying amount is considered to be best estimate of fair value due to short maturity date and valid terms. For dividend payable the carrying amount is considered to be best estimate of fair value due to short maturity date and valid terms. Fair value of bonds is calculated based on the market values of the bonds.

The Company`s financial statement does not have any material differences between fair value and carrying amount.

Fair value hierarchy

Odfjell SE classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The measurement used by Odfjell is either level 1 or 2, where level 1 is quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date, and level 2 are inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly. For some non-derivative financial assets and liabilities we consider carrying amount to be the best estimate of fair value due to short maturity date and valid terms, i.e. current receivables and payables.

As at 31 December Available for sale investment were valued at level 1, all other financial instruments were valued at Level 2.

During 2013 there have been no transfers between levels of the fair value hierarchy. Odfjell SE accounts for transfers between levels of the fair value hierarchy from the date of the event or change in circumstances that caused the transfer.

Assets and liabilities which are measured at fair value in the Balance Sheet and their level of the fair value hierarchy were as follows:

Classification of financial assets and liabilities as at 31 December 2013:

(USD 1 000)	Derivatives held as hedge instrument	Derivatives held at fair value over the result	Loans and receivables	Available for sale investments	Liabilities recognised at amortised cost	Non-financial assets/ liabilities	2013
ASSETS							
Cash and cash equivalents	–	–	186 125	–	–	–	**186 125**
Available-for-sale-investments	–	–	–	9 658	–	–	**9 658**
Derivative financial instruments	–	258	–	–	–	–	**258**
Current receivables	–	–	14 073	–	–	–	**14 073**
Loan to Group companies	–	–	501 896	–	–	–	**501 896**
Other non-financial assets	–	–	–	–	–	1 098 103	**1 098 103**
Total assets	**–**	**258**	**702 094**	**9 658**	**–**	**1 098 103**	**1 810 113**
LIABILITIES							
Other current liabilities	–	–	–	–	5 276	–	**5 276**
Loan from subsidiaries	–	–	–	–	201 008	–	**201 008**
Derivative financial instruments	3 318	20 300	–	–	–	–	**23 618**
Interest bearing debt	–	–	–	–	688 788	–	**688 788**
Total liabilities	**3 318**	**20 300**	**–**	**–**	**895 072**	**–**	**918 689**

Classification of financial assets and liabilities as at 31 December 2012:

(USD 1 000)	Derivatives held as hedge instrument	Derivatives held at fair value over the result	Loans and receivables	Available for sale in-vestments	Liabilities recognised at amortised cost	Non-financial assets/ liabilities	2012
ASSETS							
Cash and cash equivalents	–	–	133 356	–	–	–	133 356
Available-for-sale-investments	–	–	-	16 732	–	–	16 732
Derivative financial instruments	4 987	1 027	-	–	–	–	6 014
Current receivables	–	–	230 774	–	–	–	230 774
Non-current receivables	–	–	16 882	–	–	–	16 882
Loan to Group companies	–	–	606 259	–	–	–	606 259
Other non-financial assets	–	–	-	–	–	709 160	709 160
Total assets	4 987	1 027	987 271	16 732	–	709 160	1 719 177
LIABILITIES							
Other current liabilities	–	–	–	–	6 244	–	6 244
Loan from subsidiaries	–	–	–	–	240 672	–	240 672
Derivative financial instruments	6 448	28 007	–	–	–	–	34 455
Interest bearing debt	–	–	–	–	581 181	–	581 181
Total liabilities	6 448	28 007	–	–	828 097	–	862 551

NOTE 4 LONG – TERM DEBT

(USD 1 000)	Average interest rate	2013	2012
Loans from financial institutions – floating interest rate	2.52%	401 495	314 787
Bonds	6.61%	293 701	273 973
Subtotal interest bearing debt	4.25%	695 195	588 760
Transaction cost		(6 407)	(7 579)
Total interest bearing debt		688 788	581 181
Current portion of total debt		(73 199)	(135 826)
Total non-current interest bearing debt		615 589	445 355

Maturity of interest bearing debt as per 31 December 2013:

(USD 1 000)	2014	2015	2016	2017	2018	2019+	Total
Loans from financial institutions – floating interest rate	73 199	195 087	35 012	24 824	58 462	14 911	401 495
Bonds	–	102 995	–	102 139	88 566	–	293 701
Total interest bearing debt	73 199	298 082	35 012	126 964	147 028	14 911	695 195
Estimated interest payable	28 631	21 840	15 530	11 398	4 042	753	82 194
Total liabilities	101 830	319 922	50 542	138 362	151 070	15 663	777 389

Maturity of interest bearing debt as per 31 December 2012:

(USD 1 000)	2013	2014	2015	2016	2017	2018+	Total
Loans from financial institutions – floating interest rate	73 337	34 587	161 087	21 612	11 424	12 741	314 787
Bonds	62 489	–	35 199	–	87 719	88 556	273 973
Total interest bearing debt	135 826	34 587	196 286	21 612	99 144	101 307	588 760
Estimated interest payable	35 098	19 096	15 560	12 184	8 961	3 001	93 901
Total liabilities	170 924	53 683	211 846	33 796	108 104	104 308	682 661

Long-term loans from subsidiaries:

(USD 1 000)	Currency	Average interest rate	2013	2012
Loans from subsidiaries	USD	3.56%	5 875	5 075
	EUR	–	–	218 536
	NOK	3.72%	127 866	–
Total loans from subsidiaries			**133 741**	**223 612**

Loans from Group companies generally have no fixed repayment schedule. Repayment is based on available liquidity.

The average term of the Company's outstanding long-term interest bearing bank debt as per 31 December 2013 was 3.1 years (3.9 years in 2012). The average term of the Company's outstanding bond debt as per 31 December 2013 was 3.3 years (3.3 years in 2012).

The long-term debt is a combination of debt guaranteed by subsidiaries and bonds in the Norwegian bond market. Interest rates are generally based on floating LIBOR-rates on less than 12 months. The interest bearing debt does not contain any restrictions on the Company's dividend policy or financing opportunities. The interest bearing debt is generally subject to certain covenants which include that, in the Odfjell Group accounts, the book debt ratio shall at all times be less than 75% (excluding deferred taxes from debt) and that the liquidity shall always be minimum of USD 50 million and 6% of interest bearing debt. The Company was in compliance with the covenants during 2013 and 2012.

NOTE 5 TAXES

(USD 1 000)	2013	2012
Taxes payable	2 143	–
Total tax expenses	**2 143**	**–**
Effective tax rate	(4.46%)	(0%)

Taxes payable:

(USD 1 000)	2013	2012
Net result before taxes	(42 530)	203 303
Permanent differences	134 467	(16 382)
Changes temporary differences	2 022	7 318
Currency adjustments [1]	–	4 670
Basis taxes payable	**93 959**	**198 909**
Utilization of carried forward losses	(26 566)	–
Group contribution with no tax effect	–	(225 712)
Group contribution with tax effect	(67 393)	237
Basis taxes payable after Group contribution	**–**	**(26 566)**

Specification of deferred taxes (deferred tax assets):

(USD 1 000)	2013	2012
Non-current assets	(5 980)	(5 918)
Other long-term temporary differences	458	557
Differences related to currents assets	–	486
Financial instruments	(23 386)	(26 735)
Tax-loss carried forward	–	(26 566)
Contingent tax liability related to non-taxable gain [1]	12 576	13 679
Net temporary differences	**(16 332)**	**(44 496)**
Tax rate	27%	28%
Total deferred tax (deferred tax assets)	**(4 409)**	**(12 459)**

[1] Contingent tax liability is related to business transfer to 100% owned subsidiaries Odfjell Management AS and Odfjell Maritime Services AS. The gain is non-taxable pursuant to regulations of tax free transfer between companies in the same Group.

Deferred tax asset is not recognised due to uncertainty of future utilization of temporary differences.

Temporary differences are translated to USD from NOK at closing rate.

NOTE 6 SHAREHOLDERS' EQUITY

(USD 1 000)	Share capital	Treasury shares	Share premium	Cash flow hedge reserve	Retained earning	Total equity
Shareholders' equity as per 31 December 2011	**29 425**	**(2 616)**	**53 504**	**44 893**	**491 990**	**617 197**
Reclassification*	–	–	–	(54 789)	54 789	**–**
Shareholders' equity as per 1 January 2012	**29 425**	**(2 616)**	**53 504**	**(9 896)**	**546 778**	**617 197**
Comprehensive income	–	–	–	4 915	203 303	**208 218**
Share repurchases	–	(170)	–	–	(1 649)	**(1 818)**
Sale of treasury shares	–	2 785	–	–	30 244	**33 029**
Shareholders' equity as per 31 December 2012	**29 425**	**–**	**53 504**	**(4 981)**	**778 676**	**856 626**
Comprehensive income	–	–	–	2 790	(44 673)	**(41 884)**
Share repurchases	–	(2 785)	–	–	(39 416)	**(42 201)**
Merger of shares	–	–	118 884	–	–	**118 884**
Shareholders' equity as per 31 December 2013	**29 425**	**(2 785)**	**172 388**	**(2 191)**	**694 588**	**891 424**

*In 2012 the column was named 'unrealized profit'. Current year, items not associated with cash flow hedge are reclassified to retained earnings. Closing balance at 31 December 2013 of negative amount USD 2.2 million relates to cash flow hedge.

The parent company has recognised a group contribution to a wholly owned subsidiary with a total amount of USD 67.4 million. The group contribution is recognised as a liability with a corresponding increase in shares in subsidiaries.

NOTE 7 NON-CURRENT ASSETS

(USD 1 000)	Cost 01.01.2013	Investment	Sale book value	Accumulated depreciation prior years	Depreciation this year	Book value 31.12.2013
Land	408	17	–	–	–	**426**
Office building	23 420	513	–	(10 871)	(1 341)	**11 721**
Total	**23 829**	**530**	**–**	**(10 871)**	**(1 341)**	**12 147**

Depreciation periods: Office building: 50 years. Land is not depreciated.

NOTE 8 RELATED PARTIES

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

AS Rederiet Odfjell, where Laurence Ward Odfjell is Chairman of the Board, rent office premises from Odfjell SE (through Odfjell Management AS) in Bergen, for which Odfjell received USD 0.1 million in 2013 (USD 0.1 million in 2012). The Company considers the above arrangements to be on commercially reasonable market terms and there were no outstanding balances as per 31 December 2013.

Odfjell SE also has service fee agreements and several financial transactions with Group companies, all considered being at commercial reasonable market terms, see note 2, 11, 13 and 14.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Capital expenditures
No material future commitments related to capital expenditure.

Contingencies
The Company maintains insurance coverage for its activities consistent with industry practice.

NOTE 10 SUBSEQUENT EVENT

No special items.

NOTE 11 FINANCIAL INCOME AND EXPENSES

(USD 1 000)	2013	2012
Dividend/Group contribution received from subsidiaries	2 463	247 814
Intercompany interest income	21 569	16 283
Other interest income bank deposit	2 848	2 333
Sum interest income	24 417	18 616
Intercompany interest expenses	(3 693)	(9 171)
Interest expenses, loans	(30 126)	(33 541)
Sum interest expenses	(33 819)	(42 712)
Other financial income	15 636	6 253
Other financial expenses	(19 184)	(15 385)
Financial assets and liabilities at fair value through net result	506	6 265
Sum other financial income/expenses	(3 041)	(15 397)
Net currency gains (losses)	(20 088)	2 445
Net financial items	(30 068)	210 766

NOTE 12 CURRENCY GAINS (LOSSES)

(USD 1 000)	2013	2012
Currency hedging contracts	(510)	3 372
Non-current receivables and debt	(3 408)	8 639
Cash and cash equivalents	(3 044)	1 332
Other current assets and current liabilities	(13 126)	(10 897)
Total currency gains (losses)	(20 088)	2 445

NOTE 13 LOANS TO GROUP COMPANIES AND JOINT VENTURES

(USD 1 000)	Currency	Currency amount 1 000 2013	2013	2012
Norfra Shipping AS	NOK	163 494	26 884	29 241
Norfra Shipping AS	USD	103 673	103 673	103 673
Odfjell Asia II Pte Ltd	USD	310 774	310 774	345 274
Odfjell Chemical Tankers AS	USD	26 000	26 000	–
Odfjell Chemical Tankers II AS	USD	2 750	2 750	–
Odfjell Gas Shipowning AS	USD	25 100	25 100	62 300
Sum loans to Group companies			495 181	540 489
Odfjell Terminal (Jiangyin) Co Ltd	USD	2 630	2 630	2 630
Odfjell Terminals AS	USD	–	–	63 140
Oiltanking Odfjell Gmbh	USD	4 085	4 085	–
Sum loans to joint ventures			6 715	65 770
Total loans to Group companies and joint ventures			501 896	606 259

NOTE 14 NON – CURRENT RECEIVABLES

Non-current receivables:

(USD 1 000)	2013	2012
Loans to third parties	–	16 882
Total non-current receivables	–	16 882

Maturity receivables as per 31 December 2012:

(USD 1 000)	2013	2014	2015	2016	2017	2018+	Total
Loans to third parties	16 441	441	–	–	–	–	16 882
Total non-current receivables	16 441	441	–	–	–	–	16 882

Loans to third parties are secured by 2nd priority mortgages.

Loans to Group companies generally have no fixed repayment schedule. Repayment is based on available liquidity.

NOTE 15 AVAILABLE-FOR-SALE-INVESTMENTS

(USD 1 000)	Currency	Average interest rate	Book value 2013	Book value 2012
Bonds and certificates issued by financial institutions	USD	0.77%	9 658	11 283
Bonds and certificates issued by financial institutions	NOK		–	5 449
Total			**9 658**	**16 732**

Book value equals market value. Market value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. Bonds and certificates generally have interest rate adjustments every three months.

NOTE 16 SALARIES, NUMBER OF EMPLOYEES, BENEFITS TO BOARD OF DIRECTORS, PRESIDENT/CEO, OTHER MEMBERS OF THE MANAGEMENT GROUP AND AUDITOR'S REMUNERATION

For 2013 the Company has no employees and the Company is not bound to have mandatory occupational pension scheme pursuant to the Norwegian law of Occupational pension scheme.

Compensation and benefits to Board of Directors in 2013:

(USD 1 000)	Compensation	Other benefits	Total
Laurence Ward Odfjell (Chairman)*	110	–	**110**
Bernt Daniel Odfjell	42	–	**42**
Irene Waage Basili	51	–	**51**
Terje Storeng (up to May 6, 2013)	51	–	**51**
Christine Rødsæther	51	–	**51**
Jannicke Nilsson	28	–	**28**
Åke Gregertsen (from May 6, 2013)	–	–	**–**
Total	**334**	**–**	**334**

*The Chairman has in addition received compensation from subsidiaries with a total amount of USD 0.3 million. Total compensation to the Board of Directors is therefore USD 0.6 million.

Auditor´s remuneration for:

(USD 1 000 exclusive VAT)	2013	2012
Statutory auditing	148	146
Other assurance services	–	–
Tax advisory services	809	2
Non-audit services	313	190
Total remuneration	**1 270**	**338**

The increased amounts on tax advisory and non-audit services are basically due to reorganisations in 2013.

ODFJELL 100 years

NOTE 17 SHARES

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

Subsidiaries

(USD 1 000)	Registered office	Share/ voting rights	Book value	Result 2013	Equity 2013
Norfra Shipping AS	Norway	100%	150 030	(3 905)	110 463
Odfjell (UK) Ltd	United Kingdom	100%	2 166	(4 390)	28 381
Odfjell Argentina SA	Argentina	100%	129	(63)	99
Odfjell Brasil - Representacoes Ltda	Brazil	100%	983	8	1 229
Odfjell Chemical Tankers Ltd	Bermuda	100%	441 262	152	447 079
Odfjell Chemical Tankers (Germany) GmbH	Germany	100%	1 557	–	1 056
Odfjell Gas Shipowning AS	Norway	100%	16	(7 144)	(7 580)
Odfjell Gas Carriers AS	Norway	100%	16	(1 096)	(1 372)
Odfjell Insurance & Properties AS	Norway	100%	843	(24)	768
Odfjell Korea Ltd	South Korea	100%	43	(2)	5
Odfjell Management AS	Norway	100%	21 858	6 634	24 251
Odfjell Maritime Services AS	Norway	100%	1 929	365	(1 063)
Odfjell Middle East JLT	United Arab Emirates, Dubai	100%	82	(371)	82
Odfjell Netherlands BV	Netherlands	100%	1 021	129	561
Odfjell Peru	Peru	100%	195	9	71
Odfjell Projects AS	Norway	100%	13	(5)	12
Odfjell Ship Management (Philippines) Inc	Philippines	100%	200	(181)	500
Odfjell Singapore Pte Ltd	Singapore	100%	13	(40)	2 558
Odfjell Tankers AS	Norway	100%	9 858	(625)	15 312
Odfjell Tankers Europe AS	Norway	100%	1 717	(8)	1 294
Odfjell Terminals II AS	Norway	100%	196 807	7 807	139 408
Odfjell USA (Houston) Inc	USA	100%	0	287	1 464
Total			**830 740**		

The company Odfjell Argentina SA is directly and indirectly 99% owned by Odfjell SE.

Shares in joint ventures

Other shares	Registered office	Share/ voting rights	Book value	Result 2013[1)]	Equity 2013[1)]
Odfjell Ahrenkiel Europe GmbH	Germany	50.0%	289	–	724
Odfjell & Vapores Ltd	Bermuda	50.0%	4	(15)	34
Odfjell y Vapores S A	Chile	49.0%	506	1 698	14 473
V. O.Tank Terminal Ningbo Ltd	China	12.5%	1 108	1 228	13 978
Odfjell Terminals AS	Norway	51.0%	253 299	18 023	717 330
Crystal Pool AS	Norway	50.0%	9	(113)	(303)
Total shares in joint ventures			**255 216**		

[1)] Result and equity on 100% basis.

The Company has tested investments for impairment in accordance with requirements in IAS 36.
The impairment test did not result in any impairment loss.

NOTE 18 RESTRICTED CASH AND CASH EQUIVALENTS

The Company has no restricted cash and cash equivalents per 31 December 2013.

NOTE 19 SHARE CAPITAL AND INFORMATION ABOUT SHAREHOLDERS

	Number of shares	Nominal value (NOK)	(NOK 1 000) 2013	(NOK 1 000) 2012
A shares	65 690 244	2.50	164 226	164 226
B shares	21 078 704	2.50	52 697	52 697
Total	**86 768 948**		**216 922**	**216 922**

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

20 largest shareholders as per 31 December 2013:

	Name	A shares	B shares	Total	Percent of votes	Percent of shares
1	Norchem AS	25 966 492	2 415 094	**28 381 586**	43.42%	32.71%
2	Odfjell SE [2]	5 891 166	2 322 482	**8 213 648**	–	9.47%
3	Svenska Handelsbanken AB [1]	2 495 105	2 143 110	**4 638 215**	4.17%	5.35%
4	JP Morgan Clearing Corp. [1]	3 564 607	–	**3 564 607**	5.96%	4.11%
5	Rederiet Odfjell AS	3 497 472	–	**3 497 472**	5.85%	4.03%
6	Odfjell Shipping Bermuda Ltd.	2 750 000	715 760	**3 465 760**	4.60%	3.99%
7	Pareto Aksje Norge	2 073 898	1 285 370	**3 359 268**	3.47%	3.87%
8	Six SIS AG [1]	1 071 400	1 600 800	**2 672 200**	1.79%	3.08%
9	Fondsfinans Spar	1 980 000	–	**1 980 000**	3.31%	2.28%
10	Pareto Aktiv	875 199	541 323	**1 416 522**	1.46%	1.63%
11	Skagen Vekst	1 222 521	–	**1 222 521**	2.04%	1.41%
12	The Northern Trust Co [1]	86 679	879 400	**966 079**	0.14%	1.11%
13	KLP Aksje Norge VPF	726 450	223 534	**949 984**	1.21%	1.09%
14	Odin Maritim	–	900 000	**900 000**	–	1.04%
15	Ses AS	210 000	690 000	**900 000**	0.35%	1.04%
16	Six SIS AG [1]	550 000	288 500	**838 500**	0.92%	0.97%
17	AS SS Mathilda	600 000	150 000	**750 000**	1.00%	0.86%
18	Berger	732 400	–	**732 400**	1.22%	0.84%
19	Frank Mohn AS	–	700 000	**700 000**	–	0.81%
20	Pareto Verdi	421 445	261 420	**682 865**	0.70%	0.79%
	Total 20 largest shareholders	**54 714 834**	**15 116 793**	**69 831 627**	**81.65%**	**80.48%**
	Other shareholders	10 975 410	5 961 911	**16 937 321**	18.35%	19.52%
	Total	**65 690 244**	**21 078 704**	**86 768 948**	**100.00%**	**100.00%**
	International shareholders	35 299 017	7 921 265	**43 220 282**	59.03%	49.81%
	Treasury shares [2]	5 891 166	2 322 482	**8 213 648**	–	9.47%
	Cost price treasury shares (USD 1 000)	30 268	11 933	**42 201**		

[1] Nominee account.
[2] No voting rights for own shares ref. Public Limited Companies Act § 5 – 4.

The Extraordinary General Meeting on 2 October 2012 authorised the Board of Directors to acquire up to 10% of the Company's share capital. This authorisation expires on 2 April 2014. The purpose of purchasing own shares is to increase shareholders' value. The Board of Directors regularly considers investments in own shares when it may be beneficial for the Company.

Shares owned by members of the Board (including related parties):

	2013		2012	
	A shares	B shares	A shares	B shares
Chairman of the Board of Directors, Laurence Ward Odfjell	25 966 492	2 578 994	25 966 492	1 755 076
Director, Bernt Daniel Odfjell	–	2 032	–	2 032
Director, Åke Gregertsen	3 000	–	3 000	–

NOTE 20 GUARANTEES

(USD 1 000)	2013	2012
100% owned subsidiaries	692 409	525 901
Joint ventures	147 307	138 835
Total guarantees	**839 716**	**664 736**

Odfjell SE has issued guarantees on behalf of subsidiaries and joint ventures as part of our day-to-day business to assume responsibility for bunkers purchases, credit facilities, yard commitments, charter party agreements and operating lease commitments. Guarantees to and from Group companies are generally entered into on arms-length basis.

ODFJELL
100 years

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the financial statements for the period 1 January to 31 December 2013 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the Group and the company's consolidated assets, liabilities, financial position and results of operations, and that the Report from the Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties facing the company and the Group.

THE BOARD OF DIRECTORS OF ODFJELL SE

Bergen, 18 March 2014

ÅKE GREGERTSEN

LAURENCE WARD ODFJELL
Executive Chairman

BERNT DANIEL ODFJELL

IRENE WAAGE BASILI

JANNICKE NILSSON

CHRISTINE RØDSÆTHER

JAN ARTHUR HAMMER
President/CEO

AUDITOR'S REPORT

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

To the Annual Shareholders' Meeting of
Odfjell SE

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Odfjell SE, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the statement of financial position as at 31 December 2013, the statements of comprehensive income and cash flows as well as a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the statement of financial position as at 31 December 2013, the statements of 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.

Building a better working world

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 Odfjell SE 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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements 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 in the statements 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.

Bergen, 18 March 2014
ERNST & YOUNG AS

Eirik Moe
State Authorised Public Accountant (Norway)

A member firm of Ernst & Young Global Limited

FLEET & TERMINAL OVERVIEW

as per 1 March 2014

Chemical Tankers	Year built	DWT	CBM	Stainless steel, CBM	Number of Tanks
OWNED					
Bow Pioneer	2013	75 000	86 000	–	30
Bow Nangang	2013	9 156	10 523	10 523	14
Bow Dalian	2012	9 156	10 523	10 523	14
Bow Fuling	2012	9 156	10 523	10 523	14
Bow Lind	2011	46 047	48 698	–	29
Bow Elm	2011	46 098	48 698	–	29
Flumar Brasil	2010	51 188	55 452	–	14
Bow Saga [1]	2007	40 085	52 126	52 126	40
Bow Sirius [1]	2006	49 539	52 155	52 155	40
Bow Sea	2006	49 511	52 107	52 107	40
Bow Engineer	2006	30 086	36 274	36 274	28
Flumar Maceio	2006	19 975	21 713	21 713	22
Bow Summer	2005	49 592	52 128	52 128	40
Bow Spring	2004	39 942	52 127	52 127	40
Bow Star	2004	39 832	52 127	52 127	40
Bow Santos	2004	19 997	21 846	21 846	22
Bow Sun	2003	39 842	52 127	52 127	40
Bow Firda	2003	37 427	40 645	40 645	47
Bow Chain	2002	37 518	40 621	40 621	47
Bow Andes	2000	16 020	17 120	17 120	22
Bow Condor	2000	16 121	17 622	17 622	30
Bow Fortune	1999	37 395	40 619	40 619	47
Bow Master	1999	6 046	7 018	7 018	14
Bow Pilot	1999	6 008	7 005	7 005	14
Bow Sailor	1999	6 008	7 011	7 011	14
Bow Cecil	1998	37 369	40 515	33 236	47
Bow Flora	1998	37 369	40 515	33 236	47
Bow Balearia	1998	5 846	6 075	6 075	20
Bow Oceanic	1997	17 460	19 616	19 616	24
Bow Bracaria	1997	5 846	6 071	6 071	20
Bow Brasilia	1997	5 800	6 067	6 067	20
Bow Cardinal	1997	37 446	41 487	34 208	52
Bow Faith	1997	37 479	41 487	34 208	52
Bow Aratu	1997	13 843	15 834	15 834	29
Bow Querida	1996	10 106	11 181	11 181	18
Bow Cedar	1996	37 455	41 488	41 488	52
Bow Atlantic	1995	17 460	19 588	19 588	24
Bow Fagus	1995	37 375	41 608	34 329	52
Bow Clipper	1995	37 221	41 596	34 328	52
Bow Flower	1994	37 221	41 492	34 213	52
Bow Victor	1986	33 000	34 500	21 975	31

Ship	Year built	DWT	CBM	Stainless steel, CBM	Number of tanks
TIME-CHARTERED/POOL					
UACC Marah	2013	45 249	52 565	–	22
UACC Masafi	2012	45 352	52 565	–	22
Chemroad Hope	2011	33 552	37 161	37 161	18
RT Star	2011	26 199	27 912	27 912	18
SG Pegasus	2011	13 086	14 523	14 523	16
Southern Koala	2010	21 290	20 008	20 008	20
Stream Luna	2010	19 998	22 161	22 161	20
Bow Tone	2009	33 625	37 974	37 974	16
Bow Hector	2009	33 694	37 384	37 384	16
Southern Ibis	2009	19 905	22 158	22 158	20
Southern Jaguar	2009	19 997	22 157	22 157	20
Stream Mia	2008	19 702	22 094	22 094	26
Bow Sagami	2008	33 641	38 000	38 000	16
Bow Harmony	2008	33 619	38 052	38 052	16
Bow Kiso	2008	33 641	37 974	37 974	16
Bow Heron	2008	33 707	37 365	37 365	16
Celsius Mayfair	2007	19 999	21 714	21 714	20
Bow Fuji	2006	19 805	22 140	22 140	22
Celsius Manhattan	2006	19 807	22 143	22 143	22
Moyra	2005	19 806	22 838	22 838	18
Bow Sky [2]	2005	40 005	52 126	52 126	40
Bow Architect	2005	30 058	36 290	36 290	28
Celsius Monaco	2005	19 999	21 851	21 851	22
Celsius Mumbai	2005	19 993	22 186	22 186	22
Celsius Miami	2005	19 991	22 192	22 192	22
Chembulk Sydney	2005	14 271	16 571	16 571	20
Golden Top	2004	12 705	13 388	13 388	22
Chembulk Wellington	2004	14 312	15 591	15 591	20
Bow Asia [2]	2004	9 901	11 088	11 088	20
Bow Singapore [2]	2004	9 888	11 089	11 089	20
Bow Americas	2004	19 707	22 735	22 735	36
SG Friendship	2003	19 773	21 651	21 651	26
Bow Jubail [2]	1996	37 499	41 488	34 209	52
Bow Mekka [2]	1995	37 272	41 606	34 257	52
Bow Riyad [2]	1995	37 221	41 492	34 213	52
Bow Eagle	1988	24 728	32 347	19 662	25
JBU Sapphire [3]	2009	19 860	22 144	22 144	16
JBU Opal [3]	2009	19 865	22 129	22 129	16
JBU Onyx [3]	2008	19 865	21 712	21 712	16
COMMERCIAL MANAGEMENT					
Northern Wolverine	2006	16 000	18 397	10 056	35
Northern Lynx	2003	16 533	18 397	10 056	35
Number of ships	**82**	**2 200 161**	**2 477 288**	**2 018 569**	**2 300**

[1] Vessel beneficially owned through financial lease.
[2] Vessel on bare-boat charter.
[3] Vessel on variable time-charter/pool.

LPG/Ethylene carriers	Year built	DWT	CBM	TYPE	Number of tanks
OWNED					
Bow Gallant	2008	10 282	8 922	LPG/Ethylene	2
Bow Guardian	2008	10 282	8 922	LPG/Ethylene	2
TIME-CHARTERED					
Berlian Ekuator	2004	26 776	35 000	LPG/Ammonia	3
Number of ships	3	47 340	52 844		7

ON ORDER Yard	Delivery	DWT	Owner	Comment
CHEMICAL TANKERS				
Hyundai Mipo Dockyard., Ltd	2014	46 000	Saltholmen Shipping Ltd	
"	2014	46 000	"	
"	2014	46 000	Odfjell	
"	2014	46 000	Odfjell	
LPG/ETHYLENE CARRIERS				
Nantong Sinopacific Offshore & Engineering Co., Ltd	2015	17 000	Odfjell	Options 2+2
"	2015	17 000	Odfjell	
"	2016	17 000	Odfjell	
"	2016	17 000	Odfjell	
Number of newbuildings	8			

TANK TERMINALS OWNED	Location	Share	CBM	Stainless steel, CBM	Number of tanks
Odfjell Terminals (Rotterdam) BV	Rotterdam, NL	51%	1 636 100	32 550	281
Odfjell Terminals (Houston) Inc	Houston, USA	51%	331 334	82 033	100
Odfjell Terminals (Charleston) LLC	Charleston, USA	51%	79 491	–	9
Odfjell Terminals (Jiangyin) Co Ltd	Jiangyin, China	28.05%	99 800	30 000	22
Odfjell Terminals (Dalian) Ltd	Dalian, China	25.5%	119 750	18 350	51
Odfjell Terminals (Korea) Co Ltd	Onsan, Korea	25.5%	313 710	15 860	85
Oiltanking Odfjell Terminal Singapore Ltd	Singapore	25.5%	365 051	13 520	79
Oiltanking Odfjell Terminal & Co. LLC	Sohar, Oman	15.17%	1 294 780	–	66
Noord Natie Odfjell Terminals	Antwerp, Belgium	12.75%	325 000	50 800	235
Exir Chemical Terminals PJSCO	BIK, Iran	35%	22 000	1 000	18
Vopak Terminal Ningbo Ltd	Ningbo, China	12.5%	71 050	8 000	39
Total owned terminals	11 terminals		4 658 066	252 113	985

TANK TERMINALS PARTLY OWNED BY RELATED PARTIES	Location	Share	CBM	Stainless steel, CBM	Number of tanks
Depositos Quimicos Mineros S.A.	Callao, Peru		52 980	1 600	43
Granel Quimica Ltda	Santos I, Brazil		97 720	19 880	99
Granel Quimica Ltda	Rio Grande, Brazil		61 150	2 900	32
Granel Quimica Ltda	São Luis, Brazil		75 710	–	35
Granel Quimica Ltda	Ladario, Brazil		8 060	–	6
Granel Quimica Ltda	Triunfo, Brazil		12 030	–	2
Granel Quimica Ltda	Teresina, Brazil		7 640	–	6
Odfjell Terminals Tagsa S.A.	Buenos Aires, Argentina		38 826	530	56
Odfjell Terminals Tagsa S.A.	Campana, Argentina		68 580	10 190	102
Terquim S.A.	San Antonio, Chile		32 840	–	25
Terquim S.A.	Mejillones, Chile		16 870	–	7
IMTT-Quebec	Quebec, Canada		293 130	5 500	53
Total terminals partly owned by related parties *)	12 terminals		765 536	40 600	466

PROJECTS AND EXPANSIONS OWNED	Location	Share	CBM	Stainless steel, CBM	Estimated completion
Odfjell Nangang Terminals (Tianjin) Co Ltd	Tianjin, China	24.99%	137 800	7 000	Q4 2014
Noord Natie Odfjell Terminals	Antwerp, Belgium	12.5%	25 000	–	Q2 2014
Odfjell Terminals (Houston) Inc	Houston, USA	51%	47 970	30 800	Q2 2014/2015
Oiltanking Odfjell Terminal Singapore Ltd	Singapore	25.5%	12 000	–	Q1 2015
Odfjell Terminals Quanzhou (Fujian)	Quanzhou, China	25.5%	184 000	–	Q1 2016
Total expansion terminals	2 new terminals		406 770	37 800	

PROJECTS AND EXPANSIONS TANK TERMINALS PARTLY OWNED BY RELATED PARTIES*)	Location	Share	CBM	Stainless steel, CBM	Estimated completion
Granel Quimica Ltda	Aracruz, Brazil		30 000	–	ready Q3 2015
Granel Quimica Ltda	Santos II, Brazil		52 000	–	ready Q4 2015
Granel Quimica Ltda	São Luis II, Brazil		52 750	–	ready Q3 2014
Terquim S.A.	Mejillones, Chile		50 000	–	ready Q3 2015
Granel Quimica Ltda	Palmas, Brazil		10 000	–	ready Q2 2014
Total expansion tank terminals partly owned by related parties *)	4 new terminals		194 750		
Grand total (incl. related tank terminals partly owned by related parties) *)	23 existing terminals		5 423 602	292 713	

*) Tank terminals and projects partly owned by Odfjell family.

GLOSSARY

Our glossary explains some of the terms that we commonly use:

BALLAST
Amount of unpaid cargo carried in order to provide sufficient weight to keep a ship stable. For tankers, normally water.

BALLAST LEG
Voyage with no cargo on board, to position a ship for the next load port or dry-docking.

BALLAST TANK
Tank that can be filled with ballast, to provide stability for a ship.

BAREBOAT-CHARTER (B/B)
An arrangement involving the hiring of a ship, under which the party that hires the ship covers crew costs and all other operating expenses, including docking and maintenance, in addition to all voyage-related costs. On its return, the ship shall be in the same condition as when delivered, normal wear and tear expected.

BARGING
Transfer of cargo to/from a ship from/to a barge.

BROKER
Intermediary in the process of negotiating freight contracts between owners and charterers, the sale and purchase of ships and similar transactions.

BUNKERS/BUNKERING
Engine fuel, to power a ship's engines. Bunkering involves taking bunkers on board.

CBM
Cubic metre, volume measurement = 1 metre x 1 metre x 1 metre = 1,000 litre.

CHARTER PARTY (C/P)
Agreement between a shipowner and a charterer, outlining terms and conditions governing the transaction. The agreement may be for one or several voyages, or for a certain period of time.

CHARTERER
Party hiring and paying for ships or ship space. This may be the cargo owner, an intermediary or the receiver of the cargo.

CLASSIFICATION SOCIETY
Independent, non-governmental organisation, e.g. Det Norske Veritas, which checks and verifies that the technical condition, the safety and quality of a ship complies with the classification society's own rules, as well as those of national authorities.

COATING
Paint protecting the inside of a ship's tanks. Usually epoxy- or zinc-based paints.

CONTRACT OF AFFREIGHTMENT (COA)
Agreement between ship owner/operator and charterer, setting the terms for transportation of given quantities of cargo, during a given period of time.

CO_2
Carbon dioxide; colourless, odourless, incombustible gas present in the atmosphere and formed during respiration, combustion and organic decomposition.

DEADWEIGHT TONNE (DWT OR TDW)
Measure of the weight-carrying capacity of the ship. The total dwt is the weight of the ship and the cargo the ship may carry over and above bunkers, fresh water, spare parts etc.

DEEP-SEA (GLOBAL) TRADE
Sea-borne trade along intercontinental trade lanes.

DEMURRAGE
Compensation paid by the charterer, supplier or receiver of the cargo for time spent during port call in excess of the lay-time stipulated in the Charter Party for loading/discharging operations.

DETERGENTS
Substances used for tank cleaning.

DOUBLE HULL
Ship design with an inner and an outer hull, to enhance safety by allowing leakages to be contained in the event of potential groundings or collisions. The space between the inner and outer hull may also be used as a ballast tank.

DRY-DOCK
Putting a ship into dry-dock for inspection and repairs of underwater parts, and painting of the ship bottom. Usually carried out every 2½ to 5 years.

EEOI – ENERGY EFFICIENCY OPERATIONAL INDICATOR
Gram CO_2 emitted per tonne cargo transported one nautical mile.

FREIGHT RATE
Agreed price for transportation, stipulated either per metric tonne of cargo, cubic metre of cargo or as a lump sum for the total cargo.

G/TNM
Gram/tonne nautical mile.

IMO
International Maritime Organisation, the international UN advisory body on transport by sea.

INORGANIC CHEMICALS
Chemicals whose molecular structure contains no carbon atoms (other than as part of a carbonate group) and which are derived from sources other than hydrocarbons, such as sulphuric acid, phosphoric acid and caustic soda.

ISMC
International Safety Management Code. The first formalised initiative by IMO to provide a universal standard for ships' safety management systems.

KNOT
Measure of vessel speed. 1 knot = 1 nautical mile per hour ≈ 1.85 km/h.

LIBOR
London Interbank Offered Rate.

LTIF
Lost-Time Injury Frequency. Number of work-related injuries that make employees unable to work the next workday times 1 million divided by total number of working hours.

MARPOL
The International Conventions governing Marine Pollution Prevention, part of IMO.

M/T
Motor Tanker.

MT
Metric tonne.

NIS
Norwegian International Ship Register.

NO_x
Mono-nitrogen oxides. Nitrogen combined with oxygen to form a variety of compounds.

OECD
The Organisation for Economic Co-operation and Development is an international organisation whose objective is to stimulate economic progress and world trade.

OFF-HIRE
The time a ship is prevented from being gainfully employed for its owner or charterer, e.g. time used for repairs.

OPERATING EXPENSES
Expenses for crew as well as all other expenses directly connected with the running of the ship, including maintenance and insurance.

OPERATOR
A person in a shipping company whose main duties include managing contact between the ship and the charterer, giving instructions to the ship and the port agents concerning stowage, loading and discharging of cargo, and arranging purchase of bunkers, etc.

ORGANIC CHEMICALS
Chemicals containing carbon-based molecules. Often referred to as petrochemicals when derived from hydrocarbon sources such as oil, gas and coal.

PETROCHEMICALS
See organic chemicals.

POOL
Co-operation between several owners supplying ships for a joint operation, where net revenues are pooled and divided according to a pre-determined distribution key.

PPM
Parts per million (1ppm = 0.000001 or 1mg/kg).

SEGREGATION
Division of a ship's cargo space to allow different cargoes being kept completely segregated during the entire voyage, including during loading and unloading.

SHIP MANAGEMENT
Technical administration of a ship, including services such as technical operation, maintenance, crewing and insurance.

SHORT-SEA (REGIONAL) TRADE
Sea-borne trade within a particular trading area (i.e. not intercontinental).

SOLVENTS
Liquids that can dissolve other substances.

SO_x
Sulphur Oxides (SO), react with moisture in the air to form sulphuric acid.

SPOT RATE
Cargo freight rate not governed by contract of affreightment, usually based on the current market level.

STCW
International convention on standards of training, certification and watch keeping of seafarers.

TIME-CHARTER (T/C)
An arrangement for the hiring of a ship complete with crew against a fee, payable as a specific sum per time period. The party that hires the ship pays for bunkers, port and canal charges and any other voyage-related costs.

TIME-CHARTER EARNINGS
Gross freight revenues minus voyage costs divided by number of trading days, usually expressed in USD per day.

TONNE
Gross registered tonne is a volume of 100 cubic feet (2.83 cubic metres). Gross registered tonnage is basically the volume of the ship's closed areas, excluding the bridge, the galley and a few other areas. Net registered tonnage is the gross tonnage less volumes needed for the operation of the ship (deck storage room, engine room etc.), i.e. the volume available for cargo.

TONNE OR METRIC TONNE
1,000 kg.

TRADE
Geographical area where a ship mainly trades.

TRADING DAYS
Days a ship is not off-hire.

TRANSHIPMENT
Transfer of cargo from one ship to another, e.g. from a ship within global trade to a coaster or barge within regional trade bound for final destination.

VOYAGE CHARTER
Agreement for the transportation of cargo from the port(s) of loading to the port(s) of discharge. Payment is normally per tonne of cargo, and the shipowner pays for bunkers, port and canal charges and other voyage-related costs.

VOYAGE EXPENSES
Expenses directly relating to the voyage, such as bunkers, port charges, canal dues, etc.


ODFJELL

OFFICES AND ADDRESSES

MAIN OFFICE ODFJELL

Odfjell SE - Odfjell Tankers AS – Odfjell Gas AS
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