



**FIRST QUARTER REPORT
2016**

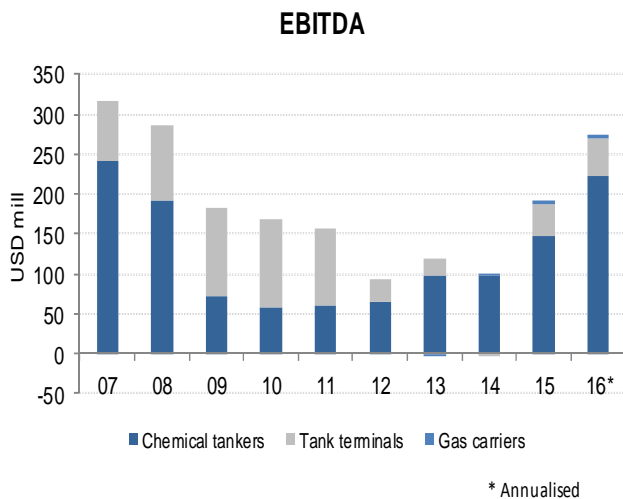
- *Strongest quarterly EBITDA since 2008*
- *Odfjell's competitiveness continues to improve*
- *Tank terminal improvements continue*



First Quarter 2016

“We are pleased to see the increasing benefits from our cost cutting and efficiency programme last year, which is now fundamentally changing the competitiveness of Odfjell”

Kristian Mørch, CEO Odfjell SE



Highlights

- Net result 1Q16 of USD 24 mill (4Q15: USD -18 mill)
- Improved EBITDA of USD 69 mill (4Q15: USD 45 mill)
- Significant reduction in voyage expenses compared to previous quarters mainly due to expiry of bunker hedges.
- Impairments in Odfjell Gas as partial cancellation of newbuilding programme is increasingly likely.
- Odfjell Terminals continues to improve, with first profitable quarter since 2013.

Prospects

- Our forecast for 2Q is a slight reduction in net earnings for the chemical tankers, mainly driven by a softening spot market. Reduced export volumes in the Far East and slower activity due to the onset of summer in the Northern Hemisphere are the main reasons.
- The results at Odfjell Terminals (Rotterdam) is expected to stabilize for the remainder of 2016. We plan to further increase the storage and distillation capacity, which will add to the profitability. The performance of the other terminals is otherwise stable.

Key financial figures

Odfjell Group

(USD mill, unaudited)

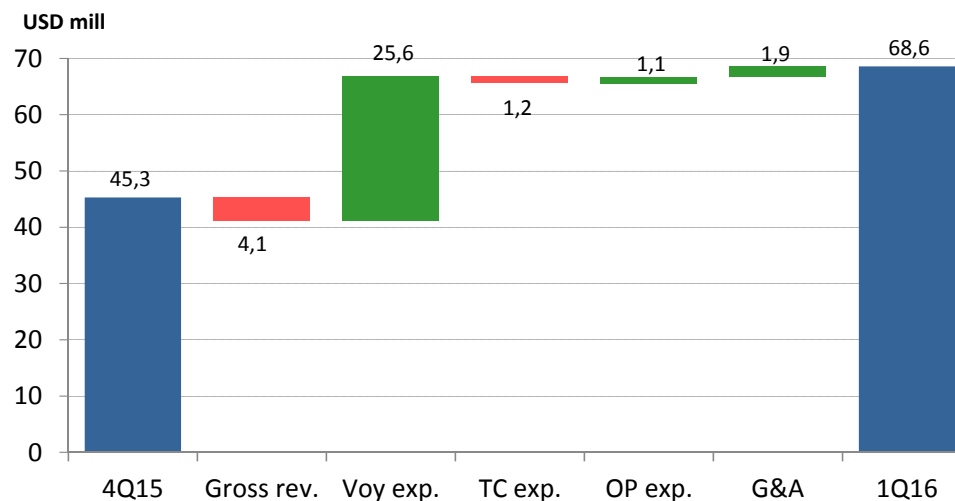
	1Q16	4Q15	1Q15	FY15
Total revenue	249	253	260	1,068
Chemical Tankers	215	219	229	940
Tank Terminals	31	29	27	112
Gas Carriers	4	5	4	18
Eliminations	(0)	(1)	(0)	(2)
EBITDA	69	45	35	190
Chemical Tankers	56	33	26	147
Tank Terminals	12	11	9	40
Gas Carriers	1	1	1	4
EBIT	41	(0)	5	43
Chemical Tankers*	39	(0)	4	37
Tank Terminals	4	(1)	1	4
Gas Carriers	(2)	1	1	3
Net finance	(13)	(15)	(37)	(74)
Net result (loss)	24	(18)	(32)	(36)
Chemical Tankers	25	(12)	(28)	(26)
Tank Terminals	1	(4)	(4)	(10)
Gas Carriers	(2)	0	0	2
Eliminations	(0)	(2)	-	(2)

Proportionate method

While the equity method provides a fair presentation of the Group's financial position in joint ventures, the Group's internal financial segment reporting is based on the proportionate method. A large part of the Group's activity is joint ventures; hence, the proportionate method provides more detailed information and thus, a more representative picture of the Group's operations.

* Includes capital gains of USD 12 mill for the sale of the head office building

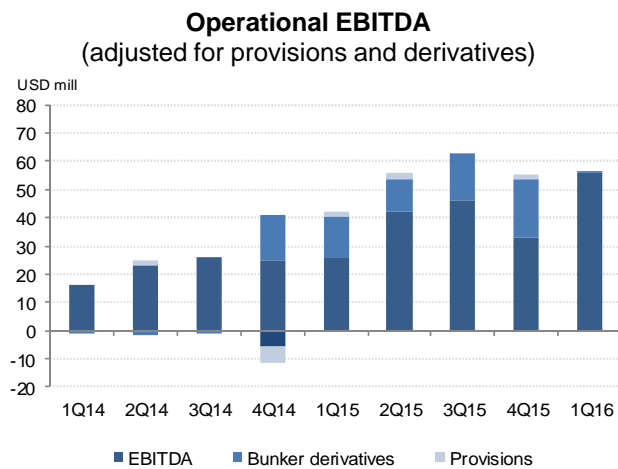
EBITDA variance - Odfjell Group



1Q16 vs 4Q15:

- EBITDA increased by 51%
- Operating expenses now stable at competitive level

Chemical Tankers



1Q was a stronger quarter than the previous in terms of net earnings, with the majority of our vessel classes delivering improved performance. There was an increase in utilization, while freight rates were slightly down. However, the effect of reduced freight rates was more than offset by reduction in voyage expenses, primarily due to reduced bunker cost. The strongest improvements were observed in our long haul trades. Our US – Far East trade continues to ship stable volumes while we observe a drop in volumes out of the Far East.

A substantial part of the EBITDA improvements is due to elimination of large negative impact from bunker hedging contracts in 4Q15. For 1Q16 we booked negative impact from bunker hedging contracts of USD 0.9 mill compared with USD 20.5 mill in 4Q15.

Indices	31.03.16	31.03.15	31.12.15
Odfix (1990 = 100) ¹	144	133	138
Opex (2002 = 100) ²	123	133	123

Chemical Tankers (USD mill)	1Q16	4Q15	1Q15	FY15
Revenues	215	219	229	940
Gross Result	73	54	48	231
EBITDA	56	33	26	147
EBIT	39	(0)	4	37
Bunker cost per tonne (USD) before hedging	369	371	475	432

¹ The Odfix index is a weighted time-charter earnings index for a selection of vessels.

² The Opex index includes owned and bareboat chartered vessels.

EBIT includes gain for the sale of the Odfjell head office building by USD 12 mill, and impairment of Bow Sailor and Bow Master of USD 6.6 mill.

Average fuel prices were USD 184 per tonne in first quarter, down from USD 256 per tonne the previous quarter.

Outlook 2Q16

Our forecast for 2Q is a slight reduction in time-charter earnings, as the markets are softer. This is mainly due to reduced export volumes in the Far East and slower activity due to the onset of summer in the Northern Hemisphere.



Chemical Tankers

No changes to the Odfjell owned fleet in the first quarter.

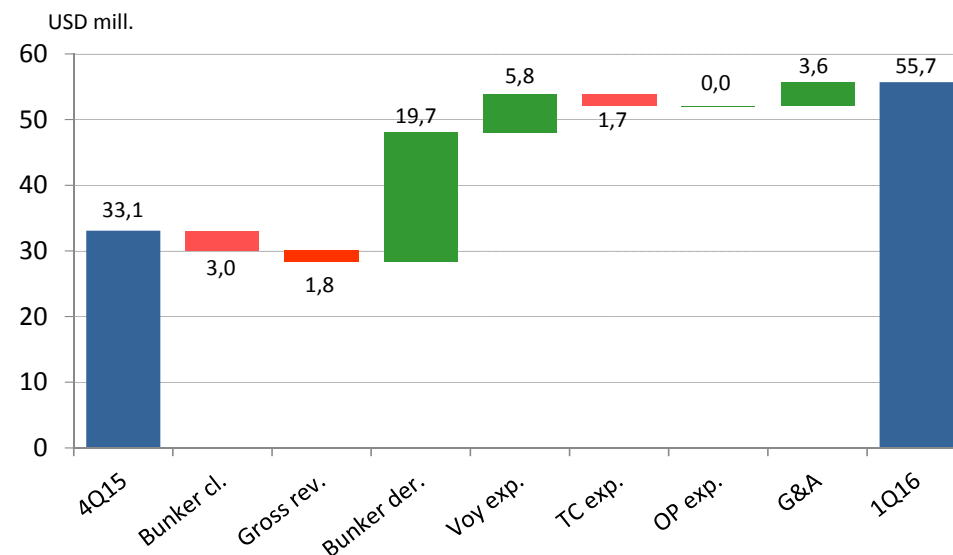
Odfjell has currently no chemical tankers on order, but we are considering various fleet renewal and growth initiatives, to ensure our continued and long-term competitiveness.

Fleet additions (last 12 months)		DWT	Built	Tanks	Transaction
February 2016	Southern Owl	20,057	2016	Stainless	Long-term TC
May 2015	Horin Trader	19,856	2015	Stainless	Medium-term TC
April 2015	Marex Noa	12,478	2015	Stainless	Long-term TC

Short-term: Up to one year
 Medium-term: 1 - 3 years
 Long-term: 4 - 10 years

Fleet disposals, owned, (last 12 months)		DWT	Built	Tanks	Transaction
November 2015	Bow Victor	33,000	1986	Stainless	Recycling
August 2015	Bow Bracaria	5,846	1997	Stainless	Sale
July 2015	Bow Brasilia	5,800	1997	Stainless	Sale
July 2015	Bow Balearia	5,846	1998	Stainless	Sale

EBITDA variance – Chemical tankers



Gas Carriers

SHIP	BUILT	DWT	TYPE
Bow Gallant	2008	10,282	LPG/Ethylene
Bow Guardian	2008	10,282	LPG/Ethylene
		20 564	

YARD	CBM	OWNER
Nantong Sinopacific	17,000	Odfjell Gas
Nantong Sinopacific	17,000	Odfjell Gas
Nantong Sinopacific	17,000	Odfjell Gas
Nantong Sinopacific	17,000	Odfjell Gas
Nantong Sinopacific	22,000	Odfjell Gas
Nantong Sinopacific	22,000	Odfjell Gas
Nantong Sinopacific	22,000	Odfjell Gas
Nantong Sinopacific	22,000	Odfjell Gas
		156,000

Activity has been flat with active export markets to Asia from both the US and Europe during the first months. LPG activity is down but expected to resume as inventory is building up in the US after the winter season. Indications for April and May are stable and we expect 2Q to be in line with 1Q.

Fleet changes Gas Carriers

After recent discussions with the shipbuilding yard related to the delayed construction of our eight LPG/Ethylene vessels on order, we consider it likely that we will cancel the four 17,000 cbm gas carriers. The first vessel will in such case be cancelled during May, and the remainder to follow about every third months thereafter. All instalments paid on the newbuildings are secured by refund guarantees from reputable financing institutions.

According to the latest updated production schedule from the yard, the first 22,000 cbm gas carrier has planned delivery in April 2017 while the contractual delivery is in September 2016.

In 1Q16 Odfjell has made an impairment of USD 2.75 mill related to the newbuilding programme.

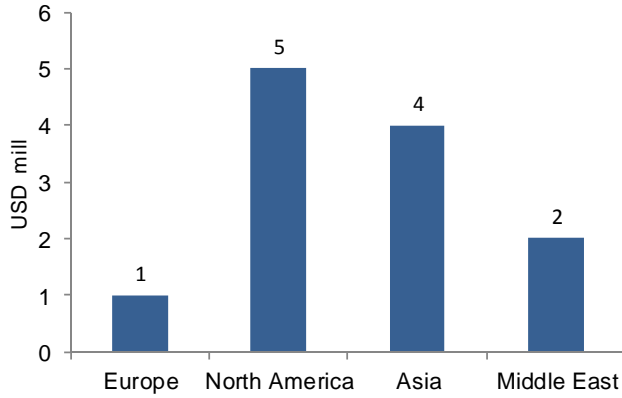
We are evaluating our strategic options for our investment in gas carriers.

Gas Carriers (USD mill, Odfjell share)	1Q16	4Q15	1Q15	FY15
Revenues	4	5	4	18
Gross Result	1	1	1	5
EBITDA	1	1	1	4
EBIT	(2)	1	1	3



Tank Terminals

Tank Terminals EBITDA YTD 2016



Odfjell's shareholding in the tank terminals business delivered an EBITDA of USD 11.9 mill in 1Q16, up from USD 11.4 mill in the previous quarter. Performance was driven in part by revenues from storage and PID distillation in Rotterdam and stable result for the other terminals.

The occupancy rate of commercially available capacity for Odfjell Terminals was 98%, up from 94% last quarter. There was a 11,907 cbm increase in available capacity from last quarter to a total of 3,967,000 cbm.

Our terminal in Tianjin, located in a new industrial development area, is moving forward for obtaining the required operating permits, as the permit process was severely affected by the explosion in the Tianjin old harbour last year.

Odfjell Terminals (Rotterdam)'s storage and distillation (PID) business revenues and cost efficiencies improved the results, with EBITDA at USD 1.3 mill from USD 0.3 mill in the previous quarter. The occupancy of commercially available capacity was at 98%, up from 97% in previous quarter. The commercial tank capacity reached 972,000 cbm by end of March, compared with 964,000 cbm by end of December. The terminal has now delivered positive monthly EBITDA for seven consecutive months.

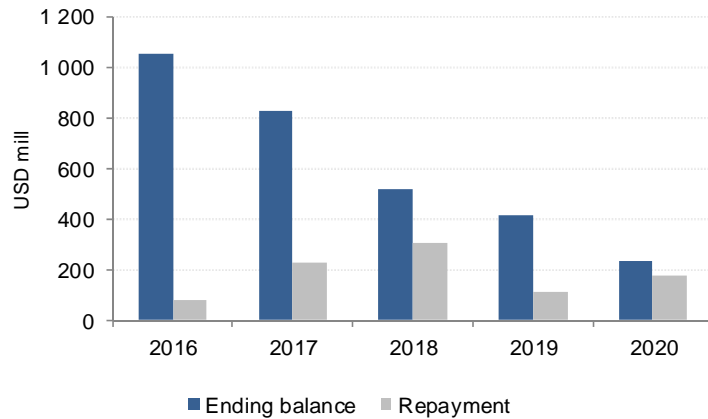
The results at Odfjell Terminals (Rotterdam) is expected to stabilise for the remainder of 2016. We plan to further increase the storage and distillation capacity which will add to the profitability. The performance of the other terminals is otherwise stable.

Tank Terminals (USD mill, Odfjell share)	1Q16	4Q15	1Q15	FY15
Revenues	31	29	27	112
Gross result	18	16	13	58
EBITDA	12	11	9	40
EBIT	4	(1)	1	4

EBITDA by geographical segment	1Q16	4Q15	1Q15	FY15
Europe	1	1	(2)	(3)
North America	5	5	5	20
Asia	4	3	4	15
Middle East	2	2	2	8
Total	12	11	9	40

Finance

Debt Portfolio



The total return swap entered into December 2014 was redeemed at maturity in January 2016 and Odfjell acquired 5,891,166 Class A shares and 2,322,482 Class B shares. After this purchase Odfjell holds 5,891,166 Class A shares and 2,322,482 Class B shares.

Other than regular docking expenditures, Odfjell has at present no further capital expenditure commitments for chemical tankers beyond equipment upgrade to increase the energy efficiency on our vessels, in total USD 15 mill over the period 2016 – 2017.

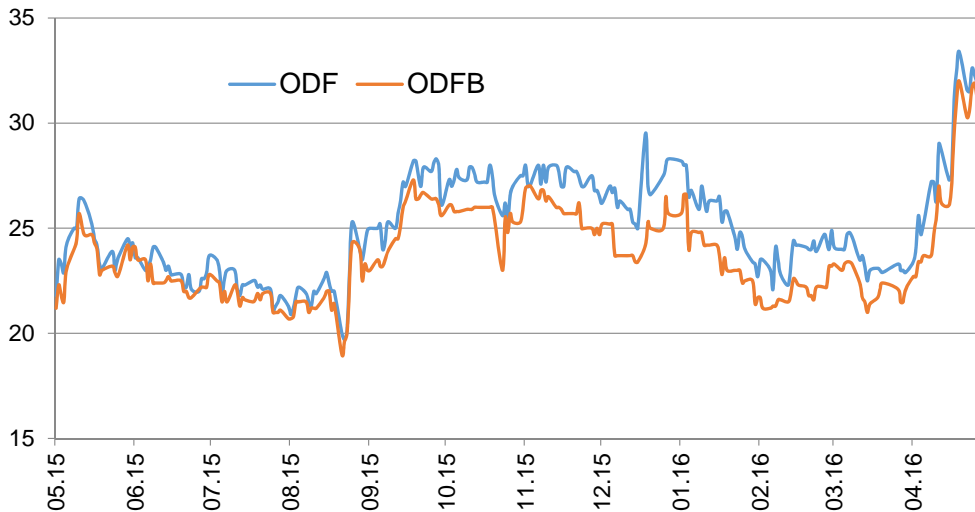
In our 50% owned gas carrier joint venture, Odfjell is committed to contribute up to additional USD 45 mill in equity for the building of eight LPG/Ethylene vessels in the 2016 – 2017 period. After recent discussions with the

shipbuilding yard related to the delayed construction of our eight LGP/Ethylene vessels on order, we consider it likely that we will cancel the 4 x 17,000 cbm gas carriers. Based on this we expect our future capital commitments to Odfjell Gas to be reduced.

The Odfjell SE head office in Bergen was agreed sold and delivered to new owners in March. The sale generated a capital gain of USD 12 mill.

1Q16 EBIT includes gain for the sale of the head office building with USD 12 mill, and impairment of Bow Sailor and Bow Master of USD 6.6 mill. The two vessels are classified in the accounts as “Assets held for sale”.

Key figures (USD mill.) Equity Method	31.03.16	31.03.15	31.12.15
Cash and available-for-sale investments	109	112	127
Interest bearing debt	1,129	1,176	1 168
Net interest bearing debt	1,020	1,064	1 041
Available drawing facilities	0	0	0
Total equity	649	604	645
Equity ratio	34%	30.5%	33.2%



Increasing the competitiveness

Project Felix successfully completed in December 2015, realizing savings beyond target of USD 100 million in annual savings.

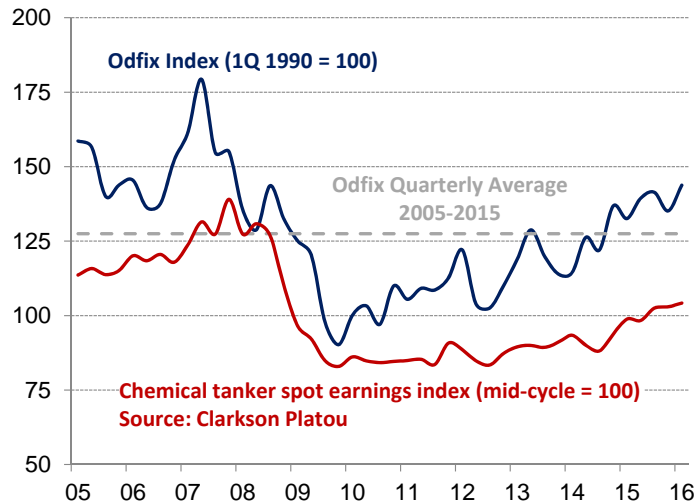
We have now shifted focus from cost-reduction to operational excellence, by launching “Project Moneyball”. Specific initiatives are already being implemented.

Shareholder information

By end of March, Odfjell A and B shares were trading at NOK 23.00 and NOK 21.50 respectively, against NOK 28.30 and NOK 26.50 respectively at the close of the previous quarter. In the same period the Oslo Stock Exchange Benchmark Index lost 5% and the Transportation Index gained 1%. After close of the quarter, the share price has increased by 32% for the A share and 39% for the B share.

As of 31 March 2016, Odfjell SE had a market capitalisation of around NOK 1,779 mill, which was equivalent to around USD 217 mill. Including our 8.2 million treasury shares the market capitalization was USD 239 mill

Prospects



With a US economy performing below expectation, the market is pushing interest rate hikes from the Fed further out in time. As a result, the USD is weakening, supporting US exports. We have also seen a significant rise in raw materials prices in the first quarter suggesting prices may have bottomed out in this cycle. Economic data suggest that China's economy stabilized in April, reducing the need for additional monetary easing.

For the next quarter we expect a slight reduction in our chemical tanker earnings, mainly due to reduced export volumes in the

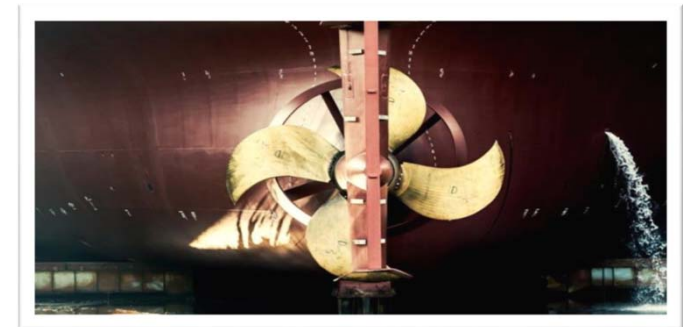
Far East and seasonally slower activity due to the onset of summer in the Northern hemisphere.

The results at Odfjell Terminals (Rotterdam) is expected to stabilize for the remainder of 2016. We plan to further increase the storage and distillation capacity which will add to the profitability of OTR.

The performance of the other terminals is otherwise stable.

Capital market day

Odfjell SE will host a capital market day 10 May 2016 to present the financial position of the Odfjell Group. The presentation will be held at our terminal in Rotterdam.



ODFJELL GROUP (figures based on equity method)

CONSOLIDATED INCOME STATEMENT (USD mill)	1Q16	1Q15	FY2015
Gross revenue	212	227	929
Voyage expenses	(66)	(103)	(399)
Time-charter expenses	(41)	(39)	(163)
Operating expenses	(32)	(38)	(140)
Gross result	73	48	227
Share of net result from associates and joint ventures	(1)	(4)	(8)
General and administrative expenses	(17)	(21)	(82)
Operating result before depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)	54	22	137
Depreciation	(21)	(22)	(88)
Impairment	(7)	-	(20)
Capital gain (loss) on non-current assets	12	-	-
Operating result (EBIT)	38	0	28
Interest income	1	1	3
Interest expenses	(12)	(11)	(44)
Other financial items	1	(20)	(17)
Net financial items	(10)	(31)	(58)
Result before taxes	28	(31)	(30)
Taxes	(4)	(1)	(5)
Net result	24	(32)	(36)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1Q16	1Q15	FY2015
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cash-flow hedges changes in fair value	1	29	(15)
Cash-flow hedges transferred to profit and loss statement	1	(16)	71
Net unrealised gain/(loss) on available-for-sale-investments	1	(0)	-
Share of comprehensive income on investments accounted for using equity method	2	(14)	(16)
Net other comprehensive income not being reclassified to profit or loss in subsequent periods:			
Net actuarial gain/(loss) on defined benefit plans	-	-	1
Other comprehensive income	5	(1)	41
Total comprehensive income	29	(33)	6
Net result allocated to:			
Owner of parent	24	(32)	(36)
Total comprehensive income allocated to:			
Owner of parent	29	(33)	6
Earnings per share (USD) – basic/diluted	0.30	(0.37)	(0.41)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD mill	1Q16	1Q15	FY2015
Ships	1,226	1,294	1,259
Other non-current assets	34	50	35
Investments in associates and joint ventures	374	376	373
Loan to associates and joint ventures	3	10	4
Non-current receivables	5	17	8
Total non-current assets	1,641	1,745	1,679
Current receivables	95	105	80
Bunkers and other inventories	6	14	13
Derivative financial instruments	0	-	3
Available-for-sale investments	10	10	9
Loan to associates and joint ventures	27	3	21
Cash and cash equivalents	99	102	118
Total current assets	238	234	243
Assets held for sale	22	-	21
Total assets	1,901	1,980	1,943

USD mill	1Q16	1Q15	FY2015
Paid in equity	199	202	202
Other equity	450	403	444
Total equity	649	604	645
Non-current liabilities	4	8	7
Derivatives financial instruments	34	39	40
Non-current interest bearing debt	1,008	879	1,048
Total non-current liabilities	1,047	926	1,095
Current portion of interest bearing debt	121	296	103
Derivative financial instruments	12	83	11
Loan from associates and joint ventures	-	1	-
Current interest bearing debt	-	-	17
Current liabilities	71	68	72
Total current liabilities	205	449	203
Total equity and liabilities	1,901	1,980	1,943

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(USD mill)	Paid in equity	Exchange rate differences	Cash-flow hedge reserves	Available for sale reserve	Pension remeasurement	OCI associates and JVs	Retained equity	Total other equity	Total equity
Equity as at 1.1.2015	202	(3)	(62)	1	16	4	479	436	638
Other comprehensive income	-	-	57	-	1	(16)	-	42	42
Net result	-	-	-	-	-	-	(36)	(36)	(36)
Other adjustments	-	-	-	-	-	-	2	2	2
Equity as at 31.12.2015	202	(3)	(5)	1	17	(12)	446	444	645
Equity as per 1.1.2016	202	(3)	(5)	1	17	(12)	446	444	645
Other comprehensive income	-	-	2	1	-	2	-	5	5
Net result	-	-	-	-	-	-	24	24	24
Repurchases treasury shares ²⁾	(3)	-	-	-	-	-	(22)	(22)	(25)
Other adjustments	-	3	-	-	-	-	(3)	-	-
Equity as at 31.03.2016	199	-	(3)	2	17	(10)	447	450	649

KEY FIGURES

PROFITABILITY	1Q16	1Q15	FY 2015
Earnings per share (USD) - basic/diluted	0.30	(0.37)	(0.41)
Return on total assets ¹⁾	6.6%	(4.1%)	0.4%
Return on equity ¹⁾	12.3%	(20.5%)	(5.6%)
Return on capital employed ¹⁾	8.1%	0.1%	1.7%
FINANCIAL RATIOS			
Average number of shares (mill.) ²⁾	79.1	86.8	86.8
Basic/diluted equity per share (USD)	8.22	6.97	7.44
Share price per A-share (USD)	2.77	2.67	3.22
Debt repayment capability (Years) ¹⁾	6.4	NA	14.0
Current ratio	1.3	0.5	1.3
Equity ratio	34.0%	30.5%	33.2%
USD/NOK rate at period end	8.32	8.05	8.8

¹⁾ Return ratios are based on annualised results, except for non-recurring items that are included in the relevant period.

²⁾ On 19 December 2014 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 expired and was settled on 5 January 2016 at agreed strike prices of NOK 24.79 and NOK 23.75 respectively. Changes in market values related to the TRS are accounted for through the profit and loss statement.

CONSOLIDATED CASH-FLOW STATEMENT

USD mill	1Q16	1Q15	FY2015
CASH-FLOW FROM OPERATING ACTIVITIES			
Profit before income taxes	28	(32)	(30)
Taxes paid in the period	(1)	(1)	(4)
Depreciation and impairment	28	22	109
Capital (gain) loss on non-current assets	(12)	-	-
Inventory (increase) decrease	7	9	10
Trade debtors (increase) decrease	(3)	11	16
Trade creditors increase (decrease)	(0)	6	14
Difference in pension cost and pension premium paid	-	0	0
Share of net result from associates and joint ventures	7	4	8
Unrealised changes in derivatives	0	21	9
Net interest expenses	11	10	42
Interest received	1	1	2
Interest paid	(9)	(7)	(40)
Effect of exchange differences	2	(8)	(2)
Change in other current accruals	(16)	(31)	(36)
Net cash-flow from operating activities	36	7	94
CASH-FLOW FROM INVESTING ACTIVITIES			
Sale of non-current assets	22	7	26
Investment in non-current assets	(6)	(30)	(49)
Available-for-sale investments	(1)	0	0
Changes in non-current receivables	(3)	6	(0)
Net cash-flow from investing activities	13	(17)	(23)

CONSOLIDATED CASH-FLOW STATEMENT

USD mill	1Q16	1Q15	FY2015
CASH-FLOW FROM FINANCING ACTIVITIES			
New interest bearing debt	-	83	377
Repayment of interest bearing debt	(42)	(63)	(420)
Sale/Purchase of treasury shares	(25)	-	-
Net cash-flow from financing activities	(67)	20	(43)
Effect on cash balances from currency exchange rate fluctuations	0	(3)	(6)
Net change in cash and cash equivalents	(18)	7	22
Opening cash and cash equivalents	118	95	95
Closing cash and cash equivalents	99	102	118

Notes to the consolidated financial statements

Note 1 – Accounting principles

Odfjell SE is ultimate parent company of the Odfjell Group. Odfjell SE is a public listed company traded on the Oslo Stock Exchange. The company's address is Conrad Mohrsv. 29, Bergen, Norway.

Basis of preparation and changes to the Group's accounting policies

The interim consolidated financial statements ended 31 March 2016 for Odfjell Group have been prepared in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

The interim financial statements are unaudited.

New standards, interpretations and amendments adopted by the Group

The accounting principles used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2015.

A number of new standards and amendments to standard and interpretations are not yet effective, and have not yet been applied in preparing consolidated financial statements. The Group's assessment of the impacts on these new standards is set out below.

IFRS 9 Financial Instruments

IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. Preliminary assessment indicates that we do not expect any material impact on the Group's financial assets and liabilities.

IFRS 15 Revenue from contracts with customers

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The Group does not expect there to be a material impact on its consolidated financial statements from this standard.

IFRS 16 Leases

Under 'IFRS 16 leases' lessees no longer distinguish between a finance lease (on balance sheet) and an operating lease (off balance sheet). Instead, for virtually all lease contracts the lessee recognises a lease liability reflecting future lease payments and a 'right-of-use' asset. The new model is based on the rationale that economically a lease contract is equal to acquiring the right to use an asset with the purchase price paid in instalments.

Lessees recognise interest expense on the lease liability and a depreciation charge on the 'right-of-use' asset. Compared to the accounting for operating leases under IAS 17, this does not only change the presentation within the income statement (under IAS 17 lease payments are presented as a single amount within operating expenses) but also the total amount of expenses recognised in each period. Straight-line depreciation of the right-of-use asset and application of the effective interest rate method to the lease liability will result in a higher total charge to profit or loss in the initial years, and decreasing expenses during the latter part of the lease term.

The new IFRS 16 is mandatory from 1 January 2019. Applying the IFRS 16 will have impact on the Financial Statements for lessee arrangements which exists on 1 January 2019.

Notes to the consolidated financial statements

Note 2 – Segment information

Management has determined the operating segments based on the information regularly review by senior management. In accordance with the internal financial reporting, investments in joint venture are reported by applying the proportionate consolidation method. The Group has three reportable segments:

Chemical Tankers: The Chemical Tankers segment involves a 'round the world' transportation of chemicals with ships. The composition of the ships enables the Group to offer both global and regional transportation.

Tank terminals: The tank terminal segment offers storage and distillation of various chemical and petroleum products. The segment is operated through the joint venture Odfjell Terminals BV.

Gas Carriers: The Group re-entered into the LPG market in 2012 by acquiring two LPG/Ethylene carriers, and Odfjell Gas has today eight vessels on order for agreed delivery between 2016 and 2017. The segment is operated through the joint venture Odfjell Gas AS.

	Chemical Tankers *)			Tank Terminals			Gas Carriers			Eliminations			Total		
	1Q16	1Q15	FY15	1Q16	1Q15	FY15	1Q16	1Q15	FY15	1Q16	1Q15	FY15	1Q16	1Q15	FY15
USD mill															
Gross revenue	215	229	940	31	27	112	4	4	18	(0)	(0)	(2)	249	260	1,068
Voyage expenses	(67)	(104)	(403)	-	-	-	(2)	(2)	(7)	-	-	-	(69)	(106)	(409)
TC expenses	(41)	(38)	(163)	-	-	-	(1)	(1)	(4)	-	-	-	(41)	(40)	(167)
Operating expenses	(33)	(39)	(143)	(13)	(14)	(54)	(1)	(1)	(2)	-	-	-	(46)	(53)	(200)
General and administrative expenses	(18)	(22)	(85)	(6)	(4)	(18)	(0)	(0)	(1)	0	0	2	(23)	(26)	(102)
Operating result before depreciation (EBITDA)	56	26	147	12	9	40	1	1	4	-	-	(0)	69	35	190
Depreciation	(22)	(22)	(89)	(8)	(8)	(33)	(0)	(0)	(1)	-	-	-	(30)	(30)	(124)
Impairment	(7)	-	(20)	-	-	(3)	(3)	-	-	-	-	-	(10)	-	(24)
Capital gain/loss on fixed assets	12	-	-	0	-	(0)	-	-	-	-	-	-	12	-	(0)
Operating result (EBIT)	39	4	37	4	1	4	(2)	1	3	-	-	(0)	41	5	43
Net finance	(10)	(31)	(57)	(2)	(6)	(15)	(0)	(0)	(1)	(0)	-	(1)	(13)	(37)	(74)
Taxes	(4)	(1)	(6)	(1)	1	1	-	-	(0)	-	-	-	(5)	(0)	(4)
Net result	25	(28)	(26)	1	(4)	(10)	(2)	0	2	(0)	-	(2)	24	(32)	(36)
Non current assets	1,277	1,381	1,316	583	581	578	68	62	72	8	(4)	6	1,937	2,020	1,972
Current assets	246	240	249	53	44	51	2	9	2	(21)	(2)	(17)	280	291	284
Assets held for sale	22	-	21	-	-	-	-	-	-	-	-	-	22	-	21
Total	1,545	1,621	1,586	636	625	629	70	71	74	(14)	(6)	(11)	2,239	2,311	2,278
Equity	284	238	281	311	313	306	55	54	59	-	-	(1)	649	604	645
Non current liabilities	1,049	931	1,098	259	259	255	10	12	11	-	(3)	-	1,318	1,199	1,364
Current liabilities	212	453	207	67	53	66	5	4	5	(13)	(3)	(10)	272	507	268
Total	1,545	1,621	1,586	636	625	628	70	71	74	(13)	(6)	(11)	2,239	2,311	2,278
Reconciliation of revenue:															
Total segment revenue	214	229	940	31	27	112	4	4	18	(0)	(0)	(2)	249	260	1,068
Segment revenue from associates and joint ventures - Tank Terminals**	-	-	-	(31)	(27)	(112)	-	-	-	-	-	-	(31)	(27)	(112)
Segment revenue from associates and joint ventures - Chemical Tankers**	(2)	(2)	(8)	-	-	-	-	-	-	-	-	-	(2)	(2)	(8)
Segment revenue from associates and joint ventures - Gas Carriers**	-	-	-	-	-	-	(4)	(4)	(18)	-	-	-	(4)	(4)	(18)
Consolidated revenue in income statement	212	227	931	-	-	-	-	-	-	(0)	(0)	(2)	212	227	929
Reconciliation of result:															
Total segment EBIT	39	4	37	4	1	4	(2)	1	3	-	-	(0)	41	5	43
Segment EBIT from associates and joint ventures - Tank Terminals**	-	-	-	(4)	(1)	(4)	-	-	-	-	-	-	(4)	(1)	(4)
Segment EBIT from associates and joint ventures - Chemical Tankers**	(1)	(1)	-	-	-	-	-	-	-	-	-	-	(1)	(1)	-
Segment EBIT from associates and joint ventures - Gas Carriers**	-	-	-	-	-	-	2	(1)	(3)	-	-	-	2	(1)	(3)
Share of net result from associates and joint ventures***	0	1	0	1	(4)	(10)	(2)	0	2	-	-	-	(1)	(3)	(8)
Consolidated EBIT in income statement	39	4	37	1	(4)	(10)	(2)	0	2	-	-	(0)	37	0	28
Reconciliation of assets and liabilities**															
Total segment asset	1,545	1,621	1,586	636	625	629	70	71	74	(13)	-	(11)	2,239	2,311	2,278
Segment asset from Tank Terminals, Chemical Tankers and Gas Carriers**	(15)	(13)	(14)	(636)	(625)	(629)	(70)	(70)	(74)	10	1	10	(713)	(707)	(707)
Investment in joint ventures***	9	9	9	311	313	307	55	54	59	-	-	(2)	374	376	373
Total consolidated assets in statement of financial position	1,540	1,617	1,580	311	313	307	55	55	59	(3)	-	(3)	1,901	1,980	1,943
Total segment liabilities	1,261	1,384	1,304	326	312	322	16	17	15	(13)	-	(10)	1,590	1,707	1,632
Segment liability from Tank Terminals, Chemical Tankers and Gas Carriers**	(6)	(4)	(6)	(326)	(312)	(322)	(16)	(17)	(15)	8	-	10	(339)	(332)	(333)
Total consolidated liabilities in statement of financial position	1,255	1,379	1,299	-	-	-	-	-	-	(4)	-	0	1,251	1,375	1,299

* This segment also include «corporate».

** Investment in joint ventures are presented according to the proportionate consolidation method in the segment reporting.

*** Investment in joint ventures are presented according to the equity method in the consolidated income statement and balance sheet.

Note 3 – Net interest bearing liabilities

(USD mill)	1Q16	1Q15
Loans from financial institutions – floating interest rate	493	412
Financial leases	296	247
Bonds	224	226
Current portion interest bearing debt	121	296
Transaction costs	(6)	(5)
Subtotal interest bearing debt	1,129	1,175
Cash and cash equivalent	(99)	(102)
Available for sale investments	(10)	(10)
Net interest bearing liabilities	1,021	1,063

(USD mill)	1Q16	1Q15
New interest bearing debt	-	83
Payment of interest bearing debt	(42)	(63)

Note 4 – Transactions with related parties

In the normal course of the conduct of its business, the Group enters into a number of transactions with related parties. Odfjell considers these arrangements to be on reasonable market terms.

Note 5 – Non-current assets

(USD mill) *	1Q16	1Q15
Net carrying amount beginning	1,294	1,335
Investments in non-current assets	6	30
Sale of non-current assets	-	-
Depreciation and impairment	(28)	(22)
Assets held for sale	(11)	-
Net carrying amount end	1,260	1,343

* Ships, newbuilding contracts and other non-current assets

Note 6 – Fair value and financial instruments

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 has access to at the measurement date, and level 2 are inputs 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.

During 2016 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 Consolidated Balance Sheet and their level of the fair value hierarchy were as follows:

(USD mill)	1Q16 Level 1	1Q16 Level 2	1Q15 Level 1	1Q15 Level 2
Recurring fair value measurement				
Financial assets at fair value:				
Derivatives instruments – non hedging	-	-	-	-
Derivatives instruments - hedging	-	0	-	-
Financial liabilities at fair value:				
Derivatives instruments – non hedging	-	43	-	73
Derivatives instruments - hedging	-	3	-	49
Available-for-sale-investments	10	-	10	-

Note 7 – Investments in associates and joint ventures

The share of result and balance sheet items from investments in associates and joint ventures are recognised based on equity method in the interim financial statements. The figures below show our share of revenue and expenses, total assets, total liabilities and equity:

(USD mill)	YTD 2016				YTD 2015			
	Chemical Tankers	Tank Terminals	Gas Carriers	Total	Chemical Tankers	Tank Terminals	Gas carriers	Total
Gross revenue	3	31	4	38	2	27	4	33
EBITDA	1	12	1	14	(0)	9	1	10
EBIT	0	4	(2)	2	(1)	1	1	1
Net result	0	1	(2)	(1)	(1)	(4)	0	(4)
Non-current assets	9	583	68	660	9	581	62	652
Current assets	6	53	2	61	5	44	9	59
Total assets	15	636	70	721	13	625	70	708
Total equity closing balance	9	311	55	374	9	313	54	376
Non-current liabilities	2	259	10	271	3	259	12	274
Current liabilities	3	67	5	75	1	53	4	58
Total liabilities	6	326	15	347	4	312	16	332

Note 8 – Other financial items

(USD mill)	1Q16	1Q15	FY2015
Changes in fair value in derivatives	0	(21)	9
Currency gains (losses)	(2)	2	(18)
Other	3	(1)	(8)
Total other financial items	1	(20)	(17)

Note 9 – Figures presented based on Proportionate method

CONSOLIDATED INCOME STATEMENT	1Q16	1Q15
(USD mill)		
Gross revenue	249	260
Voyage expenses	(69)	(106)
Time-charter expenses	(41)	(40)
Operating expenses	(46)	(53)
Gross result	92	61
General and administrative expenses	(23)	(26)
Operating result before depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)	69	35
Depreciation	(30)	(30)
Impairment	(10)	(0)
Capital gain (loss) on non-current assets	12	-
Operating result (EBIT)	41	5
Interest income	1	1
Interest expenses	(14)	(14)
Other financial items	1	(24)
Net financial items	(13)	(37)
Result before taxes	28	(32)
Taxes	(5)	(0)
Net result	24	(32)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1Q16	1Q15
(USD mill)		
Intangible assets	55	55
Ships	1,263	1,331
Newbuilding contracts	40	33
Tank terminals	493	490
Other non-current assets	64	81
Non-current receivables	21	29
Total non-current assets	1,937	2,020
Current receivables	133	131
Bunkers and other inventories	8	15
Derivative financial instruments	0	-
Available-for-sale investments	10	10
Cash and cash equivalents	130	7
Assets held for sale	22	128
Total current assets	303	291
Total assets	2,239	2,311
Paid in equity	199	201
Other equity	447	403
Total equity	649	604
Non-current liabilities	34	41
Derivatives financial instruments	36	42
Non-current interest bearing debt	1,248	1,116
Total non-current liabilities	1,318	1,199
Current portion of interest bearing debt	148	317
Derivative financial instruments	12	83
Current liabilities	111	107
Total current liabilities	272	507
Total equity and liabilities	2,239	2,311

FLEET AND TERMINALS OVERVIEW PER 26 APRIL 2016

CHEMICAL TANKERS	BUILT	DWT	CBM	STAINLESS		TANKS	OWNERSHIP
				STEEL, CBM			
Bow Firda	2003	37,427	40,645	40,645		47	Owned
Bow Chain	2002	37,518	40,621	40,621		47	Owned
Bow Fortune	1999	37,395	40,619	40,619		47	Owned
Bow Flora	1998	37,369	40,515	33,236		47	Owned
Bow Cecil	1998	37,369	40,515	33,236		47	Leased
Bow Faith	1997	37,479	41,487	34,208		52	Owned
Bow Cardinal	1997	37,446	41,487	34,208		52	Leased
Bow Jubail	1996	37,499	41,488	34,209		52	Bareboat
Bow Cedar	1996	37,455	41,488	41,488		52	Owned
Bow Fagus	1995	37,375	41,608	34,329		52	Owned
Bow Mekka	1995	37,272	41,606	34,257		52	Bareboat
Bow Clipper	1995	37,221	41,596	34,328		52	Owned
Bow Riyad	1995	37,221	41,492	34,213		52	Bareboat
Bow Flower	1994	37,221	41,492	34,213		52	Owned
Bow Saga	2007	49,559	52,126	52,126		40	Leased
Bow Sea	2006	49,592	52,107	52,107		40	Owned
Bow Sirius	2006	49,539	52,155	52,155		40	Leased
Bow Summer	2005	49,592	52,128	52,128		40	Owned
Bow Sky	2005	49,479	52,126	52,126		40	Leased
Bow Star	2004	49,487	52,127	52,127		40	Owned
Bow Spring	2004	49,429	52,127	52,127		40	Owned
Bow Sun	2003	42,459	52,127	52,127		40	Owned
Chemroad Hope	2011	33,552	37,161	37,161		18	Time charter
Bow Hector	2009	33,694	37,384	37,384		16	Time charter
Bow Tone	2009	33,625	37,974	37,974		16	Time charter
Bow Heron	2008	33,707	37,365	37,365		16	Time charter
Bow Sagami	2008	33,641	38,000	38,000		16	Time charter
Bow Kiso	2008	33,641	37,974	37,974		16	Time charter
Bow Harmony	2008	33,619	38,052	38,052		16	Owned
Bow Engineer	2006	30,086	36,274	36,274		28	Owned
Bow Architect	2005	30,058	36,290	36,290		28	Time charter
Southern Owl	2016	26,057	27,656	27,656		26	Time charter
RT Star	2011	26,199	27,912	27,912		18	Time charter
Horin Trader	2015	19,856	22,129	22,129		18	Time charter
Gion Trader	2015	19,833	22,130	22,130		18	Time charter
Southern Koala	2010	21,290	20,008	20,008		20	Time charter
Southern Jaguar	2009	19,997	22,157	22,157		20	Time charter
Southern Ibis	2009	19,905	22,158	22,158		20	Time charter
Celsius Mayfair	2007	19,999	21,714	21,714		20	Time charter
Flumar Maceio	2006	19,975	21,713	21,713		22	Owned
Celsius Manhattan	2006	19,807	22,143	22,143		22	Time charter
Bow Fuji	2006	19,805	22,140	22,140		22	Time charter
Celsius Monaco	2005	19,999	21,851	21,851		22	Time charter
Celsius Mumbai	2005	19,993	22,186	22,186		22	Time charter
Celsius Miami	2005	19,991	22,192	22,192		22	Time charter
Moyra	2005	19,806	22,838	22,838		18	Time charter
Bow Santos	2004	19,997	21,846	21,846		22	Owned
Kristin Knutsen	1998	19,152	19,409	19,409		34	Time charter

CHEMICAL TANKERS	BUILT	DWT	CBM	STAINLESS		TANKS	OWNERSHIP
				STEEL, CBM			
Bow Triumph	2014	49,622	53,188	0		22	Owned
Bow Trident	2014	49,622	53,188	0		22	Owned
Bow Tribute	2014	49,622	53,188	0		22	Leased
Bow Trajectory	2014	49,622	53,188	0		22	Leased
Bow Elm	2011	46,098	48,698	0		29	Owned
Bow Lind	2011	46,047	48,698	0		29	Owned
Flumar Brasil	2010	51,188	55,452	0		14	Owned
Bow Pioneer	2013	75,000	86,000	0		30	Owned
SG Friendship	2003	19,773	21,651	21,651		26	Comm. Mgmt.
Bow Oceanic	1997	17,460	19,616	19,616		24	Owned
Bow Atlantic	1995	17,460	19,588	19,588		24	Owned
Bow Condor	2000	16,121	17,622	17,622		30	Owned
Bow Andes	2000	16,020	17,120	17,120		22	Owned
Chembulk Sydney	2005	14,271	16,571	16,571		20	Time charter
Bow Aratu	1997	13,843	15,834	15,834		29	Owned
SG Pegasus	2011	13,086	14,523	14,523		16	Time charter
Marex Noa	2015	12,478	14,067	14,067		16	Time charter
Bow Querida	1996	10,106	11,181	11,181		18	Owned
Bow Asia	2004	9,901	11,088	11,088		20	Bareboat
Bow Singapore	2004	9,888	11,089	11,089		20	Bareboat
Bow Nangang	2013	9,156	10,523	10,523		14	Owned
Bow Dalian	2012	9,156	10,523	10,523		14	Owned
Bow Fuling	2012	9,156	10,523	10,523		14	Owned
Bow Master	1999	6,046	7,018	7,018		14	Owned
Bow Sailor	1999	6,008	7,011	7,011		14	Owned
Total Chemical Tankers	73	2,186,437	2,399,486	1,875,037		2,084	
GAS CARRIERS	BUILT	DWT	CBM	TYPE	TANKS	OWNERSHIP	
Bow Gallant	2008	10,282	8,922	LPG/Ethylene	2	Pool	
Bow Guardian	2008	10,282	8,922	LPG/Ethylene	2	Pool	
Total gas carriers:	2	20,564	17,844		4		
ON ORDER							
LPG/Ethylene nEwbuildings	DELIVERY	CBM	OWNER	COMMENT			
Nantong Sinopacific Offshore & Engineering Co., Ltd	4	17,000	Odffjell Gas	50/50 JV			
	4	22,000	Odffjell Gas	*			
Total newbuildings:	8	156,000					

TANK TERMINALS	LOCATION	OWNERSHIP ²	CBM	STAINLESS STEEL,		NUMBER OF TANKS
				CBM	CBM	
Odfjell Terminals (Rotterdam) BV	Rotterdam, NL	51 %	1,636,135	32,550		284
Odfjell Terminals (Houston) Inc	Houston, USA	51 %	379,982	113,180		119
Odfjell Terminals (Charleston) LLC	Charleston, USA	51 %	79,243	0		9
Odfjell Terminals (Jiangyin) Co Ltd	Jiangyin, China	28 %	99,800	30,000		22
Odfjell Terminals (Dalian) Ltd	Dalian, China	25.50 %	119,750	18,350		51
Odfjell Terminals (Korea) Co Ltd	Onsan, Korea	25.50 %	313,710	15,860		85
Oiltanking Odfjell Terminal Singapore Ltd	Singapore	25.50 %	402,000	13,520		82
Oiltanking Odfjell Terminal & Co. LLC	Sohar, Oman	15.17 %	1,294,780	0		66
Noord Natie Terminals	Antwerp, Belgium	12.75 %	348,499	1		240
Exir Chemical Terminals PJSCO	BIK, Iran	35 %	22,000	1,000		18
Total terminals	10 terminals		4,695,899	224,461		976

PROJECTS AND EXPANSIONS	LOCATION	OWNERSHIP ²	CBM	STAINLESS STEEL,		ESTIMATED COMPLETION
				CBM	CBM	
Odfjell Nangang Terminals (Tianjin) Co.,Ltd	Tianjin, China	24.99 %	137,800	7,000		Q2 2016
Odfjell Terminals Quanzhou (Fujian)	Quanzhou, China	25.50 %	184,000	0		TBD
Odfjell Changxing Terminals (Dalian)	Changxing, China	25.50 %				TBD
Total expansion terminals			321,800	7,000		

TANK TERMINALS PARTLY OWNED BY RELATED PARTIES ¹	LOCATION	OWNERSHIP ²	CBM	STAINLESS STEEL,		NUMBER OF TANKS
				CBM	CBM	
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	Sao Luis I, Brazil		75,700	0		35
Granel Quimica Ltda	Sao Luis II, Brazil		50,000	0		14
Granel Quimica Ltda	Ladario, Brazil		8,050	0		6
Granel Quimica Ltda	Triunfo, Brazil		12,030	0		2
Granel Quimica Ltda	Teresina, Brazil		7,640	0		6
Granel Quimica Ltda	Palmas, Brazil		16,710	0		12
Odfjell Terminals Tagsa S.A.	Buenos Aires, Argentina		38,700	530		60
Odfjell Terminals Tagsa S.A.	Campana, Argentina		68,700	10,190		102
Terquim S.A.	San Antonio, Chile		33,590	0		25
Terquim S.A.	Mejillones, Chile		16,840	0		7
Total tank terminals partly owned by related parties	13 terminals		539,810	35,100		443

PROJECTS AND EXPANSIONS TANK TERMINALS PARTLY OWNED BY RELATED PARTIES ¹	LOCATION	OWNERSHIP ²	CBM	STAINLESS STEEL, CBM	COMPLETION
Depositos Quimicos Mineros S.A.	Callao II, Peru		17,850	0	ready Q2 2016
Granel Quimica Ltda	Santos II, Brazil		52,000	0	ready Q4 2017
Total expansion tank terminals partly owned by related parties			69,850	0	

Grand total (incl. related tank terminals partly owned by related parties)	23 existing terminals		5,235,709	259,561	
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¹Tank terminals and projects partly owned by Odfjell family.

² Odfjell SE's indirect ownership share

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