13 new efficient dry cargo vessels

The vessels will contribute to NORDEN’s growth
Pages 4, 5, 6, and 7

Contract extended
Pages 10 and 11

Product tanker in focus
Page 12

Customer party
Pages 14 and 15
NORDEN has announced that 2013 will not be a year of profit making but a year of investment. And we have put words into action. Since we shifted investment focus last autumn from Tankers to Dry Cargo, we have been busy taking advantage of the attractive vessel prices and grown our order book by 13 dry cargo vessels and 4 tankers.

All the vessels are ECO vessels, which with an improved fuel economy will provide NORDEN with a significant competitive advantage when they are launched at sea in a few years. On pages 4-7, you can read more about the thoughts behind this major investment and how NORDEN utilises the fluctuations of a cyclical business.

The tanker market is also experiencing fluctuations and – as can be read on page 12 – great changes in trade patterns due to changes within the refinery sector. These are changes which we have predicted and are well-positioned to benefit from.

Transportation of energy – be it oil, coal or wood chips – takes up many pages in this issue of NORDEN NEWS. On pages 10-11 and 14-15, you can read about new contracts with the mining company Store Norske and the energy company Verdo. The contract with Store Norske is an extension of a current contract, and it is a great acknowledgement that Store Norske has assessed NORDEN’s efforts both in relation to the shipments, price and CSR as being so satisfying that they wish to add an additional 5 years to the cooperation.

Because NORDEN aims at establishing long-term cooperation with major players, and Store Norske is a great example of this. But there are many others, which could be seen at NORDEN’s charterers’ party held at the end of May (see page 14). Here was the chance to meet many of the people who provide employment to our vessels all over the world.

An event like the above is not only enjoyable but also an investment into cooperation. When the market is down, we at NORDEN do everything we can to influence all aspects in our power. And this applies regardless whether we are talking investments in vessels, contracts or people.

Enjoy reading the redesigned magazine and have a great summer.

CARSTEN MORTENSEN, President & CEO
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NORDEN invests

Orders for 13 new fuel efficient dry cargo vessels
NORDEN takes advantage of its strong financial position and the low newbuilding prices to strengthen the fleet. The new vessels – 7 newbuilding contracts and 6 long-term charters with purchase option – are built while freight rates continue to be low and delivered in 1-3 years when rates are expected to have improved. The vessels are all fuel efficient. The orders have been placed since the beginning of the fourth quarter of 2012 until end-April this year, and all the newbuildings are built at Japanese yards with which NORDEN has a long-standing close cooperation. The 13 new vessels will provide NORDEN with a significant competitive advantage once they are launched at sea. Today, NORDEN’s dry cargo fleet counts a total of approximately 250 owned and chartered vessels.

Read more on the following pages
2013 will not be a year of great profit making for NORDEN. But it will be a year of investment. Since NORDEN shifted focus from investments in Tankers to investments in Dry Cargo, the Company has been busy putting pen to paper. Since the beginning of the fourth quarter of 2012 until end-April this year, NORDEN has contracted a total of 7 newbuildings and long-term chartered 6 newly built, fuel efficient dry cargo vessels.

Total investments and commitments in connection with the long-term charters amount to USD 445 million or approximately DKK 2.5 billion (this amount also includes investments in additional 4 product tankers – read more on page 14).

"This is a lot of money. But NORDEN can afford it. Since we built up capital during the good times, we can now grow the fleet in current poor times," says CEO Carsten Mortensen, who in spite of massive investments at the end of the first quarter this year could present a cash balance (cash and securities) of USD 498 million and undrawn credit facilities of USD 161 million.

As a crucial factor in relation to the investments, Carsten Mortensen stresses that the 13 dry cargo vessels are built while dry cargo rates continue to be historically low and that the deliveries will first take place in 1-3 years when rates are expected to have improved as better balance between vessel supply and demand should exist by then due to the continued decrease in the number of newbuildings.

**Useful benchmark**

Head of NORDEN's Dry Cargo Department, Executive Vice President Ejner Bonderup, points out that NORDEN has not been sitting on its hands in the years when investments in new dry cargo vessels were modest.

"No, we have spent the time well. We have sold some vessels as part of our strategy, and we have developed a tool to assess the actual value of the different ship designs to be found in today's market. We have made a benchmark of the different designs and thus determined which vessels will create most value to us and our customers in the long term. Today, we have both the ability and the name to freely choose exactly those ship designs which we believe are top of the line and will provide future-proofing of our tonnage profile. In connection with the ordering of the 13 new vessels, we have assigned high priority to quality and safety in combination with the optimum ratio between speed and fuel and between the cargo carrying capacity (deadweight) and ship draught," Ejner Bonderup explains, having a total of approximately 250 owned and chartered vessels at his disposal.

At the same time as NORDEN is ordering new dry cargo vessels, the Company has the opportunity to redeliver more than 20 of the chartered vessels which are not necessarily ideal to have as part of the fleet any longer.

"A large share of these redeliveries will go hand in hand with a natural renewal process of the active core fleet towards a more optimised ECO profile, which will not only benefit the environment, but certainly also NORDEN's cost level," says Ejner Bonderup.

**Financial ability**

He is pleased that NORDEN has the financial ability to actively adjust the fleet composition for it to provide the Company with the best competitive conditions in the challenging market both now and in future, and to ensure that the cost structure is best possible.

"It is also an important signal to our customers to see that our business foundation in the shape of tonnage composition is modern and future proof. We are able to provide customers with a long-term transportation service stretching for several years. There is a reason why reliability and flexibility are two of the cornerstones in our set of values. We have no back edge to our time horizon. We have been a stable partner in the dry cargo market for many years now, and we intend to continue being this," says NORDEN's head of Dry Cargo.

**Greater demand for larger vessels**

It is dry cargo vessels in the larger end of the scale, which NORDEN has ordered. 9 of them are of the Handymax type with a cargo carrying capacity (deadweight) of approximately 60,000 tons, while the other 4 are of the Kamsarmax type with a cargo carrying capacity of approximately 82,000 tons – approximately 5,000 tons more than a typical Panamax vessel.

"Currently, we have great activity with approximately 250 vessels in the Dry Cargo fleet. Activities are especially within Panamax and Handymax. But our active core fleet is actually low within these two types – also in relation to how we expect the global commodity flows to develop. We fully believe that both Kamsarmax and Handymax will be in great demand in coming years. They will therefore be part of our growth area," says head of NORDEN's Dry Cargo Department, Executive Vice President Ejner Bonderup.

He explains how NORDEN already early on in the strategy process ahead of the investments focussed on Japanese yards and trading houses as partners.

"We have already had some top quality vessels built in Japan, and we are convinced that we can repeat this success. We have actually succeeded in making agreements with exactly those selected yards and trading houses which we had at the top of our priority list. We are very happy with this – and proud in fact. We see this as an indication that this preference is mutual," says Ejner Bonderup.
“Ability entails responsibility” is an old Danish saying, which NORDEN’s head of Dry Cargo Ejner Bonderup takes seriously.

“We got more than 70 new customers in 2012, and this year, we have already gotten approximately 40 new customers. This is not only a result of NORDEN having global presence with the right people in the right places. It also results from having a good name in the market. Some of the new customers actually come to us unsolicited, and they are very welcome. They receive the same excellent treatment as our repeat customers, who have been part of our business for many years. In combination with our financial strength, this means that we are overall satisfied with our current basis – in spite of the fact that the current markets do not offer satisfying rates,” Ejner Bonderup says and adds:

“NORDEN is a long-term player. NORDEN delivers good, stable and price right services to our customers – both when the market is down and when the market is up.”

“New customers all the time

“It is also an important signal to our customers to see that our business foundation in the shape of tonnage composition is modern and future proof”

Head of Dry Cargo, Executive Vice President
Ejner Bonderup
### NORDEN’s active core fleet

#### Dry Cargo:

**Capesize**

<table>
<thead>
<tr>
<th>Number of vessels</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned vessels</td>
<td>3</td>
</tr>
<tr>
<td>Chartered vessels with purchase option</td>
<td>1</td>
</tr>
<tr>
<td>Year of construction</td>
<td>2001-2007</td>
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<tr>
<td>Average age</td>
<td>8.5 years</td>
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<tr>
<td>Length</td>
<td>289 metres</td>
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<td>Width</td>
<td>45 metres</td>
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<tr>
<td>Cargo carrying capacity (deadweight)</td>
<td>171,000-180,000 tons</td>
</tr>
<tr>
<td>Areas of operation</td>
<td>The whole world</td>
</tr>
<tr>
<td>Cargoes</td>
<td>Iron ore and coal</td>
</tr>
<tr>
<td>Customers</td>
<td>Steel works, mining companies and power plants</td>
</tr>
<tr>
<td>Total number of Capesize vessels in the global fleet</td>
<td>1,403</td>
</tr>
<tr>
<td>Average age of Capesize in the global fleet</td>
<td>8 years</td>
</tr>
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**Handymax**

<table>
<thead>
<tr>
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<th>20</th>
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<tbody>
<tr>
<td>Owned vessels</td>
<td>4</td>
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<tr>
<td>Chartered vessels with purchase option</td>
<td>16</td>
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<tr>
<td>Year of construction</td>
<td>2006-2012</td>
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<td>Average age</td>
<td>3.4 years</td>
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<tr>
<td>Length</td>
<td>190-200 metres</td>
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<tr>
<td>Width</td>
<td>32 metres</td>
</tr>
<tr>
<td>Cargo carrying capacity (deadweight)</td>
<td>54,000-62,000 tons</td>
</tr>
<tr>
<td>Areas of operation</td>
<td>The whole world</td>
</tr>
<tr>
<td>Cargoes</td>
<td>Iron ore, coal, grain, cement, sugar and fertiliser</td>
</tr>
<tr>
<td>Customers</td>
<td>Steel works, mining companies, power companies, grain traders, trading houses, producers of cement, sugar and fertiliser</td>
</tr>
<tr>
<td>Total number of Handymax vessels in the global fleet</td>
<td>2,608</td>
</tr>
<tr>
<td>Average age of Handymax in the global fleet</td>
<td>9.7 years</td>
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</tbody>
</table>

**Handysize**

<table>
<thead>
<tr>
<th>Number of vessels</th>
<th>21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned vessels</td>
<td>11</td>
</tr>
<tr>
<td>Chartered vessels with purchase option</td>
<td>10</td>
</tr>
<tr>
<td>Year of construction</td>
<td>2009-2012</td>
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<tr>
<td>Average age</td>
<td>1.8 years</td>
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<tr>
<td>Length</td>
<td>169-186 metres</td>
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<td>Width</td>
<td>27-30 metres</td>
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<tr>
<td>Cargo carrying capacity (deadweight)</td>
<td>28,000-38,000 tons</td>
</tr>
<tr>
<td>Areas of operation</td>
<td>The whole world</td>
</tr>
<tr>
<td>Cargoes</td>
<td>Iron ore, coal, grain, steel, cement, sugar and fertiliser</td>
</tr>
<tr>
<td>Customers</td>
<td>Steel works, mining companies, power companies, grain traders, trading houses, producers of cement, sugar and fertiliser</td>
</tr>
<tr>
<td>Total number of Handysize vessels in the global fleet</td>
<td>2,534</td>
</tr>
<tr>
<td>Average age of Handysize in the global fleet</td>
<td>13.5 years</td>
</tr>
</tbody>
</table>

**Panamax**

<table>
<thead>
<tr>
<th>Number of vessels</th>
<th>13</th>
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</thead>
<tbody>
<tr>
<td>Owned vessels</td>
<td>3</td>
</tr>
<tr>
<td>Chartered vessels with purchase option</td>
<td>10</td>
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<tr>
<td>Year of construction</td>
<td>2002-2012</td>
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<tr>
<td>Average age</td>
<td>5.2 years</td>
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<tr>
<td>Length</td>
<td>218-229 metres</td>
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<td>Width</td>
<td>32 metres</td>
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<tr>
<td>Cargo carrying capacity (deadweight)</td>
<td>75,000-84,000 tons</td>
</tr>
<tr>
<td>Areas of operation</td>
<td>The whole world</td>
</tr>
<tr>
<td>Cargoes</td>
<td>Iron ore, coal, grain, bauxite, cement and slags</td>
</tr>
<tr>
<td>Customers</td>
<td>Steel works, mining companies, power plants, cement producers, grain traders and trading houses</td>
</tr>
<tr>
<td>Total number of Panamax vessels in the global fleet</td>
<td>1,867</td>
</tr>
<tr>
<td>Average age of Panamax in the global fleet</td>
<td>9.5 years</td>
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**Post-Panamax**

<table>
<thead>
<tr>
<th>Number of vessels</th>
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<td>4</td>
</tr>
<tr>
<td>Chartered vessels with purchase option</td>
<td>4</td>
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<tr>
<td>Year of construction</td>
<td>2010-2012</td>
</tr>
<tr>
<td>Average age</td>
<td>2.1 years</td>
</tr>
<tr>
<td>Length</td>
<td>240-250 metres</td>
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<tr>
<td>Width</td>
<td>43 metres</td>
</tr>
<tr>
<td>Cargo carrying capacity (deadweight)</td>
<td>111,000-120,000 tons</td>
</tr>
<tr>
<td>Areas of operation</td>
<td>The whole world</td>
</tr>
<tr>
<td>Cargoes</td>
<td>Iron ore and coal</td>
</tr>
<tr>
<td>Customers</td>
<td>Steel works, mining companies and power plants</td>
</tr>
<tr>
<td>Total number of Post-Panamax vessels in the global fleet</td>
<td>456</td>
</tr>
<tr>
<td>Average age of Post-Panamax in the global fleet</td>
<td>4.4 years</td>
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**Tankers:**

**MR**

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<tr>
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<th>12</th>
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<td>Owned vessels</td>
<td>4</td>
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<tr>
<td>Chartered vessels with purchase option</td>
<td>8</td>
</tr>
<tr>
<td>Year of construction</td>
<td>2008-2013</td>
</tr>
<tr>
<td>Average age</td>
<td>2.6 years</td>
</tr>
<tr>
<td>Length</td>
<td>180-183 metres</td>
</tr>
<tr>
<td>Width</td>
<td>32 metres</td>
</tr>
<tr>
<td>Cargo carrying capacity (deadweight)</td>
<td>45,800-50,500 tons</td>
</tr>
<tr>
<td>Areas of operation</td>
<td>The whole world</td>
</tr>
<tr>
<td>Cargoes</td>
<td>Refined oil products such as fuel oil, gas oil, gasoline, naphtha and jet fuel</td>
</tr>
<tr>
<td>Customers</td>
<td>Oil majors and oil traders</td>
</tr>
<tr>
<td>Total number of MR vessels in the global fleet</td>
<td>1,026</td>
</tr>
<tr>
<td>Average age of MR in the global fleet</td>
<td>7.5 years</td>
</tr>
</tbody>
</table>

**Handysize**

<table>
<thead>
<tr>
<th>Number of vessels</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned vessels</td>
<td>11</td>
</tr>
<tr>
<td>Chartered vessels with purchase option</td>
<td>0</td>
</tr>
<tr>
<td>Year of construction</td>
<td>2005-2009</td>
</tr>
<tr>
<td>Average age</td>
<td>5.7 years</td>
</tr>
<tr>
<td>Length</td>
<td>176-183 metres</td>
</tr>
<tr>
<td>Width</td>
<td>27-31 metres</td>
</tr>
<tr>
<td>Cargo carrying capacity (deadweight)</td>
<td>37,000-40,000 tons</td>
</tr>
<tr>
<td>Areas of operation</td>
<td>The whole world</td>
</tr>
<tr>
<td>Cargoes</td>
<td>Refined oil products such as fuel oil, gas oil, gasoline, naphtha and jet fuel</td>
</tr>
<tr>
<td>Customers</td>
<td>Oil majors and oil traders</td>
</tr>
<tr>
<td>Total number of Handysize vessels in the global fleet</td>
<td>567</td>
</tr>
<tr>
<td>Average age of Handysize in the global fleet</td>
<td>11.5 years</td>
</tr>
</tbody>
</table>

### Notes:
- The fleet list is at 31 March 2013 – i.e. some of the recent vessel contracting (see pages 4-7) and fleet developments have not been included
- Global fleet data/Tankers: SSY – at 31 December 2012
- Global fleet data/Dry Cargo: R.S. Platou – at 31 December 2012
- The list does not include:
  - 179 vessels chartered without purchase option or chartered only for single voyages
  - 25 vessels for delivery – i.e. 12 owned vessels, 12 chartered vessels with purchase option and 1 vessel chartered for more than 3 years without purchase option
  - Vessels which the pool partner Interorient Navigation Company Ltd. has put into the joined pools within Dry Cargo and Tankers – the Post-Panamax Pool, the Handysize Pool and Norient Product Pool (NPP)
- Total gross fleet (i.e. owned vessels, chartered vessels with purchase option, chartered vessels without purchase option and vessels for delivery): 293 vessels
FIRST QUARTER RESULTS
earned in difficult dry cargo market

For the first quarter of 2013, the Dry Cargo market continued to be characterised by excess capacity and very low rates whereas rates in the product tanker market were above expectation. For NORDEN, the quarter ended in operating earnings (EBITDA) totalling USD 10 million against USD 50 million in the same quarter in 2012.

In addition to the extremely difficult market conditions, dry cargo earnings were also negatively affected by the positioning of vessels for the South American grain season. This resulted in many expensive ballast voyages.

For the Tanker Department, January presented the highest monthly earnings in 4 years.

“In recent months, NORDEN has taken advantage of the attractive newbuilding prices to expand the newbuilding programme by a total of 17 fuel efficient vessels at a total price of USD 445 million. The Company will therefore be in a strong position once the markets regain balance. The scrapping of dry cargo vessels continues to be at a high level with approximately 7.5 million tons dwt. in the first quarter, and we can also be pleased with our Tanker Department generating solid earnings in an otherwise bleak first quarter. But as already announced, 2013 will be a difficult year earnings-wise,” says Carsten Mortensen, President & CEO.

Dry Cargo:
- Operating earnings: USD 1 million (against USD 40 million in the same quarter in 2012)
- Number of ship days: 16,925 (against 16,383)

Tankers:
- Operating earnings: USD 11 million (against USD 12 million in the same quarter in 2012)
- Number of ship days: 3,645 (against 3,864)
- Earnings were 17% above the 1-year T/C rates
- Coverage for 2013: 30%

NORDEN maintains expectations for the profit for the year with operating earnings (EBITDA) at group level of USD 15-45 million.

DRY CARGO
3 vessel types behind progress

The progress in the first quarter was mainly driven by increasing tonnage demand within Handysize, Handymax and Panamax due to a higher level of exports of corn and soybean from South America, congestion of vessels in Brazilian ports and increasing exports of e.g. fertiliser and coal in the Pacific.

China, which is NORDEN’s most significant dry cargo market – every fifth dry cargo is discharged in a Chinese port – had a GDP growth rate of 7.7% in the first quarter, which is higher growth compared to the same period last year. Growth was driven by infrastructure investments, which went up by 26.9% compared to the same period last year.

TANKERS
generally good activity

The high rates in the first quarter were driven by generally good activity in the market with the Port Arthur refinery in the USA beginning production following great start-up difficulties in 2012. At the same time, one of the world’s largest refineries, the Amuay refinery in Venezuela, is operating at half capacity following a severe fire in August last year, which requires further imports in a region which is already a net importer of refined oil products.

The long winter in Europe made it possible for operators of ice-class vessels such as NORDEN through Norient Product Pool to earn more premiums on ice-reinforced tonnage on cargoes going out of the Baltic.
NORDEN:
**Puts demands on suppliers**

One of the 7 focus areas in NORDEN’s strategy in relation to Corporate Social Responsibility (CSR) is the process of ensuring that the Company’s suppliers live up to UN conventions on human rights, working conditions, environment and business ethics.

“NORDEN calls this responsible supply chain management. But the demands which NORDEN puts on suppliers are the exact same put on NORDEN by customers. We are all in the same boat. And this is positive as it forms mutual understanding of the challenges we are facing,” says Director CSR Ulla E. Nielsen.

The focal point of the efforts within responsible supply chain management is a supplier code of conduct which builds on a number of new UN guidelines promoting cooperation between customer and supplier to meet human rights, etc. The guidelines are to ensure that everyone is helping to push developments in the right direction. Previously, the approach was simply for a customer to discontinue working with a supplier who was not living up to the demands regarding working environment, equality and non-discrimination, pay, etc. – and then no follow-up would take place. Now the idea is for the customer and supplier to work together to ensure that conditions are put in order.

Part of the new supplier code of conduct – developed together with the shipping company J. Lauritzen – is therefore that suppliers must establish systems to handle possible violations of the conventions – and this must take place within an agreed time frame.

“We know that it takes time to establish the relevant processes, and NORDEN will also establish such processes. We therefore promote cooperation by which we share knowledge and experience,” says Ulla E. Nielsen.

The 2-year standing cooperation between state-owned Store Norske Spitsbergen Grubekompagni and NORDEN is going so well that the parties have decided to add 5 years to the contract now running until 2020. During the 10-year contract period, NORDEN will transport approximately 20 million tons of coal in total – or 2 million tons per year – from Svalbard to power plants primarily located in Northern Europe.

As one of NORDEN’s 3 largest dry cargo contracts, the contract with Store Norske is a step towards meeting NORDEN’s strategic target to increase the contractually secured dry cargo volume by 15% on an annual basis.

Head of NORDEN’s Dry Cargo Department, Executive Vice President Ejner Bonderup, is pleased that NORDEN has lived up to the Norwegian company’s expectations for the transportations and all matters related to this – documents, consultancy, etc.

“One of NORDEN’s goals is to enter into contracts with good, solid companies with a long-term business perspective. Store Norske is such a company. We look forward to continue delivering the best possible product,” Ejner Bonderup says.

Today, all Svalbard coal is mined from the Svea mine, but Store Norske has been given permission to start up mining other places in Svalbard.

**4 reasons to choose NORDEN**

Aleksander Askeland, Director Sales & Marketing, Store Norske Spitsbergen Grubekompani, explains that there are several reasons why the company decided to extend the contract with NORDEN:

“We need a shipping partner who satisfies the highest requirements in relation to environmental standards, bunker oil, etc. In addition to this, it is important that our partner is willing to make an effort getting well acquainted with local conditions and to perform quality control during the shipping period by having a port captain present,” says Aleksander Askeland, who also stresses Store Norske’s demand of working together with someone who can provide the mining
A logistic challenge  
As Svalbard during winter is part of the North Pole’s ice area, all transports for the year must take place during the months of July to November/December. To this can be added the fast paced port operations and the fairly short voyage time which mean that the planning of each individual trip must be top-tuned – and this of course without affecting flexibility.

NORDEN’s electrically powered test car drove 23,000 km  
The mileage recorder showed approximately 23,000 km when NORD EL – an electrically powered Citroën – finished as test car for NORDEN following a 2-year period. During this period, it had functioned as an official company car for Internal Service while employees had the opportunity to test their skills behind the wheel of an electrically powered car during the weekends.

In total, the contract will employ approximately 6,000 ship days in Panamax, corresponding to approximately 25 shipments per year.

**Broad spectrum of discharge ports**

The primary discharge ports are the so-called ARA ports – Amsterdam and Rotterdam in the Netherlands and Antwerp in Belgium. But Svalbard coal is also discharged in a number of other countries.

Aleksander Askeland, Director Sales & Marketing, Store Norske Spitsbergen Grubekompagni established the company Svalbard Maritime Services AS.

**“We need a shipping partner who satisfies the highest requirements in relation to environmental standards, bunker oil, etc.”**

Klaus Nyborg is the new Vice Chairman in NORDEN’s Board of Directors. He was appointed at the board meeting following the general meeting in Copenhagen. Klaus Nyborg has a long career behind him with top positions in A. P. Møller-Mærsk, Torm and Pacific Basin, where he lately held the position as CEO. He joined NORDEN’s Board of Directors in 2012. As Vice Chairman, he replaces Alison J. F. Riegels, who was Vice Chairman since 1985. She wanted to step down as Vice Chairman to continue as an ordinary board member.

Approximately 225 shareholders attended the general meeting where the Chairman, Mogens Hugo, described 2012 as “the most brutal year so far following the beginning of the financial crisis in 2008.” But he also noted that NORDEN build up capital during the good times, and that the Company is now looking to expand the fleet by taking advantage of the low vessel prices during the current poor times. So in spite of the current bleak period, there are, as he put it, grounds for certain optimism.

In total, the contract will employ approximately 6,000 ship days in Panamax, corresponding to approximately 25 shipments per year.

At the same time, Store Norske has been very satisfied with the operational follow-up during the last 2 shipping periods and with the great relationship in between the shipping periods.

**General meeting:**

**New Vice Chairman in NORDEN**

**Company with maximum flexibility**

in terms of vessel sizes, discharge ports, etc.

In total, the contract will employ approximately 6,000 ship days in Panamax, corresponding to approximately 25 shipments per year.

**Broad spectrum of discharge ports**

The primary discharge ports are the so-called ARA ports – Amsterdam and Rotterdam in the Netherlands and Antwerp in Belgium. But Svalbard coal is also discharged in a number of other countries.

**“We need a shipping partner who satisfies the highest requirements in relation to environmental standards, bunker oil, etc.”**

Aleksander Askeland, Director Sales & Marketing, Store Norske Spitsbergen Grubekompagni

**NORDEN’s electrically powered test car drove 23,000 km**

The mileage recorder showed approximately 23,000 km when NORD EL – an electrically powered Citroën – finished as test car for NORDEN following a 2-year period. During this period, it had functioned as an official company car for Internal Service while employees had the opportunity to test their skills behind the wheel of an electrically powered car during the weekends. NORD EL was part of Europe’s largest electrical vehicle test, and after the test was done, NORDEN has decided to buy NORD EL, which will continue in the capacity of official company car.
Norient Product Pool (NPP) is well positioned to gain a share of the increased transportation of refined oil products taking place at the expense of crude oil transportation. The change is due to crude oil refinement taking place to a greater extent where the oil is extracted – i.e. the Middle East, India and other Asian countries. The refined products must therefore be transported over longer distances before reaching the consumers.

The opening of new, modern oil refineries in close proximity to major oil wells in the Middle East, India and other Asian countries and the concurrent scaling down or closing of old, worn down refineries first and foremost in Europe and on the US East Coast provide great opportunities for product tanker companies such as Norient Product Pool (NPP), which is managed on a 50/50 basis by NORDEN and the partner, Cypriot Interorient Navigation Company Ltd. (INC).

The need for more transportation of refined oil products from refineries to consumers at the expense of crude oil transportation will grow significantly in the coming years that people in the business are actually talking about a paradigm shift in the global oil trade/oil transportation.

"As the world’s second largest product tanker pool and with a fleet of approximately 80 vessels of the types Handysize and MR, NPP is ideally positioned to gain a share of the increased activity within the transportation of refined oil products," says head of NORDEN’s Tanker Department, Executive Vice President Lars Bagge Christensen, referring to the fact that Handysize and MR – due to their size – are in high demand for the most important transportation routes.

Oil producers are establishing new refineries in close proximity to the oil wells as they aim to gain a larger share of earnings throughout the value chain and they want to be able to satisfy increasing domestic demand. But when a larger share of the world’s crude oil is being refined nearby the oil wells, less crude oil is also to be transported globally. On the other hand, demand for transportation of refined oil products goes up – which is exactly NPP’s business area.

Within the last 12 years alone, global demand for product tanker tonnage (expressed as the amount and the distance which the amount is to be transported – ton/mile) has grown 4.7 times as much as growth in global oil demand.

An attractive partner
"NPP focuses exclusively on the product tanker market, and the pool is known as a reliable, responsible and flexible carrier with a modern fleet. Its size enables the pool to be represented across all relevant time zones, to have all the right relationships in place with oil companies, oil traders, ship brokers, etc. and to have a strong in-house technical organisation. All this makes NPP a very attractive partner," says Executive Vice President Lars Bagge Christensen.

"NPP is well positioned to gain a share of the increased transportation of refined oil products"

Head of Tankers, Executive Vice President Lars Bagge Christensen
NORDEN’s port captains
make things run smoothly

Every hour costs money when one of NORDEN’s approximately 250 dry cargo vessels calls at a port. There is therefore a lot of dollars to be saved if the entire port operation is optimised – and this applies to everything from the port call, to loading/discharging operations as well as cleaning of cargo holds and during shipment. NORDEN’s 8 port captains with their coordinated efforts play a central role in this.

One of NORDEN’s approximately 250 dry cargo vessels recently went through a very strict cargo hold inspection in a Canadian port. But fortunately, one of NORDEN’s 8 port captains was present, and with his decisive action, he had the last residue cleaned on the spot so that the vessel could move on instead of having to go through yet another time-consuming, delaying and thus costly inspection.

Other times, a port captain has been able to instruct the captain on precisely where in the cargo holds he had to clean and to which standard thereby avoiding having to clean too much. This also costs time and thus money.

“If it was not for the port captains, there would be a risk that the port calls would take longer. The port captains work closely together with our operators and the crew on each vessel, and thus, they contribute to the value creation in NORDEN – also from the motto: no time is better spent than that spent preventing problems. The port captains’ presence and efforts during a port call very much have a preventive effect,” says head of the Dry Cargo operations section, Vice President Jens Christensen, who recently had the 8 port captains assembled for a meeting at the head office in Hellerup, Denmark, for the purpose of collecting and sharing experience and thereby further optimising their work.

To put it briefly, the port captains make things run smoothly. And this no matter whether we are dealing with cargo hold cleaning, documents, defective loading and discharging equipment, incorrect port booking, cultural differences, etc.

With their local knowledge and relationships with NORDEN’s business partner, local authorities, port agents and workers, etc., the port captains are able to coordinate all aspects of the port calls. This work naturally involves the captain of the vessel, who will never have the same local knowledge and perspective as that which a port captain has built up by returning to the same ports multiple times.

Head of Dry Cargo, Executive Vice President Ejner Bonderup: “It is true that with our port captains we optimise our voyages and improve the economy. But there is also a great portion of customer care in it – it is a great service to our customers that we keep a firm hold on loading/discharging operations. A smooth operation is to the benefit of everyone in the transport chain.”

Port captains all over the world
NORDEN has port captains located in all the most important places to take care of the loading and discharging processes. All of them are former captains and have the required knowledge of how to handle all expected and particularly unexpected challenges which may arise in connection with loading or discharging – not least in ports in less developed areas of the world and in ports which NORDEN has never called at before or only rarely does so.

As NORDEN Dry Cargo fleet made a total of 2,996 port calls in 2012, the job as port captain needless to say involves a lot of travelling – also even though physical presence is far from required at all port calls.
NORDEN orders additional 4 ECO tankers

NORDEN has ordered an additional 4 fuel economic MR product tankers from the Korean yard STX Offshore & Shipbuilding Co., Ltd. for delivery in late 2014 and in the beginning of 2015. The newbuildings replace 3 sold vessels.

The 4 new ECO vessels with cargo carrying capacity of 49,600 tons have a design which has been further fuel optimised compared to the 4 other product tankers of the same type, which the Korean yard is delivering to NORDEN during the first half-year 2013. The vessels will therefore have a fuel consumption which is 25-30% lower compared to the conventional product tankers in NORDEN’s fleet.

Experience from the construction of the first 4 MR product tankers at the STX yard will be applied when building the next 4 vessels, just like the STX experience is applied when building the 2 Handysize ECO product tankers which NORDEN will have delivered from the GS yard in China next year.

“With a total of 10 new fuel efficient product tankers, NORDEN further strengthens its position in a market where customers to a greater extent are demanding ECO tonnage. We are therefore convinced that the vessels will be employed and absorbed by the global tanker fleet in a way which is commercially interesting and attractive to NORDEN,” says head of NORDEN’s Tanker Department, Executive Vice President Lars Bagge Christensen.

The commercial and operational management of the new product tankers will be handled by Norient Product Pool, which is the second largest product tanker pool in the world with a fleet of approximately 80 vessels.

NORDEN chosen to transport

The energy company Verdo in Randers, Denmark, delivers green heat and power to 40,000 people. With a contract of up to 12 cargoes of wood chips for the next year, NORDEN is expanding its cooperation with Verdo and strengthening its position in the growing biomass market.

NORDEN has entered into a contract with the energy company Verdo in Randers, Denmark, for transportation of wood chips from Ghana to Denmark running until mid-2014. Thus, the Company strengthens its position in the biomass market which is in rapid growth – not least driven by requirements to the European power/CPH plants to replace part of the fossil fuels such as coal and oil with biomass.

The Company’s contract with Verdo comprises up to 12 cargoes, i.e. all wood chip cargoes which Verdo needs transported from Ghana to Denmark in this period.

Verdo has focused extensively on biomass in recent years, and the plant is now delivering green heat and power to 40,000 residents in Randers. The target is to become Denmark’s greenest power company.

The biomass from Ghana comes from rubber trees which no longer provide rubber and which previously would have been burned on site without having any use-value and being very harmful to the environment.
NORDEN transported the first cargo of Verdo wood chips back in March 2012 from Ghana to Denmark, specifically to Aarhus, where the wood chips are discharged and the following transportation to the end destination is done by lorry. Since then, a total of 6 cargoes have been made on spot basis.

The reason why NORDEN was chosen as carrier of the wood chips from Ghana to Denmark is according to Manager of Execution Morten Bo Spinding, Verdo: “NORDEN has shown flexibility and precision, and the Company has offered satisfying freight rates for the spot cargoes made so far. Since the beginning, the dialogue has been both good and constructive, and there has been mutual understanding for each parties’ challenges in relation to a new project of this kind. The contract running until the summer of 2014 with a solid and flexible shipping company as NORDEN is perfectly in line with our current strategy.”

Head of NORDEN’s Handysize Pool, Vice President Christian Ingerslev is happy with the strengthened relationship and says: “The cooperation between NORDEN and Verdo in relation to the spot voyages has been very positive, and we are looking forward to developing this relationship with the recently made contract. With this contract, we secure employment for some of the Handysize vessels which are discharging wheat and cement products in West Africa.”

Central to the ambassadors’ work will be a workshop at which the ambassadors have the opportunity to explain what the CSR strategy means for each department.

“We did not make a CSR strategy for the shelves. The ambition is for the strategy to be tangible, measurable, understandable and operational. It is to be a positive toolbox for all employees to use in their daily work,” says Director CSR Ulla E. Nielsen.
8 shipping trainees graduated – out in the world

After 2 years of intensive training with practical work during the day in Hellerup in Denmark, in Annapolis in the USA or in Singapore and theoretical education at business school level in the evening, 8 NORDEN shipping trainees were ready to receive their diploma as visible evidence that they have now graduated. Next step: new challenges out in the world. Here they relate what they bring with them from their training when they begin in their new jobs.

Mohamad Shahril Zainuddin
Dry Cargo (Chartering), Singapore
Next job: Dry Cargo (Chartering), Hellerup

“I have gained an insatiable appetite for knowledge. I want to broaden my knowledge about shipping at any time possible – and not just about NORDEN and the transportation of cargoes. I would also like to know more about the customers’ needs and their particular demands, etc.”

Jesper J. Jensen
Tankers (Chartering), Hellerup
Next job: Dry Cargo (Operations), Annapolis

“I have gained knowledge about shipping, and as I was assigned greater responsibility, I have grown as a person. When you talk with people from all over the world on a daily basis, you gain insight into other cultures and an appetite to experience these cultures at first hand.”

Andreas K. Olsen
Dry Cargo (Chartering), Hellerup
Next job: Dry Cargo (Chartering), Shanghai

“I have learned that shipping is not a line of work, it is a lifestyle – you must be available and willing to work at any time of the hour. I have also learned that the most important quality of a shipping man is the ability to show empathy towards colleagues and counter parties.”

Mads M. Simonsen
Dry Cargo (Projects), Hellerup
Next job: Dry Cargo (Chartering), Annapolis

“NORDEN’s unique combination of talented employees as well as the framework and tools trainees have at their disposal have meant that I as a trainee have had the best possible conditions. First part of the diploma in business administration at CBS has provided me with a solid macro-economic background.”

Lasse Jensen
Dry Cargo (Operations), Hellerup
Next job: Dry Cargo (Operations), Singapore

“I have learned to stand on my own feet, and I believe that I have been assigned the right level of responsibility. It has been very educational to work with different people and cultures – both directly and on the telephone. It has given me an appetite to learn more about other cultures.”

Rangi Zhang
Dry Cargo (Chartering), Hellerup
Next job: Dry Cargo (Operations), Hellerup

“I have learned about NORDEN’s value chain, about shipping systems and about what is important to do for a shipowner/operator. I have built a network and gained many friends in Denmark, and I have learned a lot of things which I could not have learned by studying at university.”

Morten Vesth
Dry Cargo (Chartering), Hellerup
Next job: Dry Cargo (Chartering), Rio de Janeiro

“During my entire training, I have been in close dialogue with shipbrokers, captains, port agents and colleagues at the head office and the overseas offices. I have taken part in contract negotiations and in finding solutions to various kinds of problems.”

Andreas E. Sørensen
Tankers (Chartering), Annapolis
Next job: Dry Cargo (Operations), Hellerup

“As trainee, I have had the privilege of learning something new every day. I have learned how to procure cargo, how I use my negotiation skills best possibly, how to optimise voyage performance and how to establish customer relationships.”

Jesper J. Jensen
Tankers (Chartering), Hellerup
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