

MEMO



Western Bulk AS
Henrik Ibsens gate 100
P.O.Box 2868, Solli
N-0255 Oslo, Norway

Tel: +47 2313 3400
Fax: +47 2313 3491
www.westernbulk.com

The Register of Business Enterprise:
NO 980 747 026

From: Western Bulk Administration

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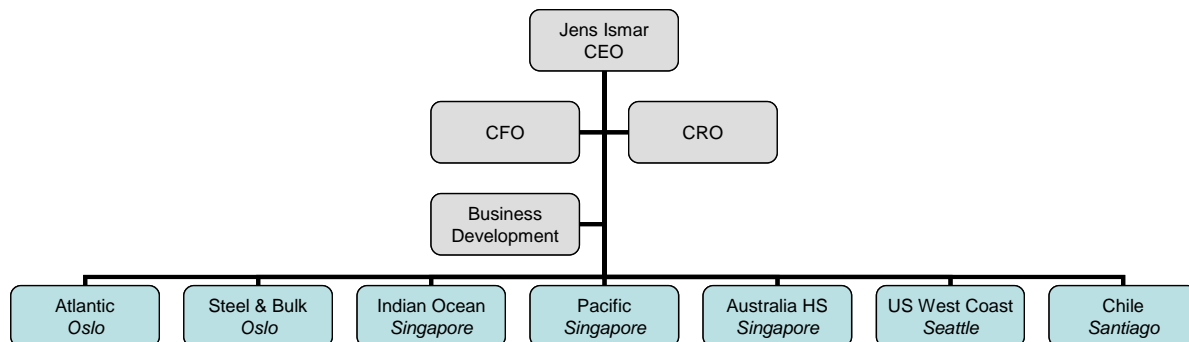
Subject: Western Bulk - a Long Term Industrial Shipping Partner and Freight Trader

1. Western Bulk overview

Founded in 1982, Western Bulk is a global world-class provider of quality sea transportation services to industrial companies, commodity producers and traders. We have world wide commercial and operational presence through our offices in Oslo, Singapore, Seattle, Santiago and Perth. The combined Net Income for 2007 and 2008 was \$107m, and the equity ratio per 30.06.09 was 60%. The EBT per 30.09.2009 was \$21.5m. Western Bulk has strong shareholder backing and is privately owned by Kistefos AS.

2007 and 2008 have demonstrated that we master our business model, even in volatile and distressed markets, by using physical tonnage vs. cleared FFA arbitrage to cover our long term CoA commitments. We have an efficient risk management model combined with quick decision making abilities by our highly professional staff and we are able to generate very healthy returns resulting in a strong financial position. Western Bulk presently owns no vessels, but has a portfolio of short, medium and long term chartered-in tonnage. We are always maintaining a balanced book, and hence are taking on very little risk at any given point in time.

Commercial authority is decentralised and is split in 7 separate commercial Business Units.



We will continue to hone our business as we know it today through continued focus on volume growth, further build long term relations with strategic partners and attract new industrial clients.

2. Strong owners

Kistefos AS is a leading Norwegian investment company, owned by Mr. Christen Sveaas since 1984 and is headquartered in Oslo, Norway. Their 2008 operating income was NOK 6.7 billion (\$ 1.2bn) and EBIT was NOK 625 million (\$ 110 m). Kistefos is organized within Shipping and Offshore Services, Technology, Telecom, Financial Services and Real Estate Development.

Kistefos builds its investment philosophy on long term value creation through active ownership, acting as a catalyst for change in close cooperation with the company's management team. Through capital, industrial / financial competence and professional governance, Kistefos seek to establish and develop a basis for profitable growth in portfolio companies.

3. Financial overview

With our proven Risk Management model and long term strategic industrial relationship, Western Bulk is in a strong position to capitalise on current and future opportunities. We had record earnings in 2007 and 2008 with a pre-tax profit of \$49m in 2008 and \$57 in 2007. Q4 2008 was the best quarter and December 2008 was the best month in WB history, which further proves the solidity of the Business Model in volatile markets:

| USDm | 2008 | 2007 |
|------------------------|---------|-------|
| Gross Freight Revenue | 1,051.2 | 832.4 |
| Gross Profit | 88.7 | 80.7 |
| Profit before tax | 49.3 | 57.2 |
| | | |
| Total Assets | 185.6 | 193.1 |
| Cash and Bank Deposits | 69.8 | 104.9 |
| Shareholders' Equity | 96.8 | 77.3 |

For the first 9 months of 2009, the Shareholders' Equity remains strong at \$100m and a 60% Equity/Assets ratio. We expect our 2009 results to be acceptable and our Gross Profit per September 2009 was \$35m and the EBT was \$21.5 million. We are satisfied with this result in the current challenging environment.

4. Strong focus on risk management

Western Bulk has a strong and continuous focus on risk management, developing a pervasive risk management culture within the organisation.

The successful integration of the two different sub-cultures of the Risk Group and the Chartering Group is a key accomplishment in Western Bulk in recent years. 2008 has offered all risk models and risk management teams the test of their lifetime and many have failed. We are proud of our risk model and our risk management culture and we believe that it has contributed to our good results the last few years because:

- commercial departments are continuously held accountable for the exposures in their portfolios, and for the development of the portfolio values
- management maintains constant attention and scrutiny on risk management issues
- we strive to be adaptable as we frequently develop new measures and reports, to improve attention and focus on the risk factors we believe are particularly relevant given the prevailing market situation
- Risk Management is now part of our corporate DNA –fully appreciated and endorsed by all

Value at Risk (VaR) is our most important risk measurement tool and capital allocation tool with clearly defined limits on risk taking with real time M2M valuation, but we also apply stress test, Cash Flow at Risk (CFaR) and PFE for counterparty risk. Our VaR model includes bunker price risk, geographical risk and takes account of specific vessel requirements. The Risk Management department employs five full time staff and is based in Singapore.

5. Fleet size

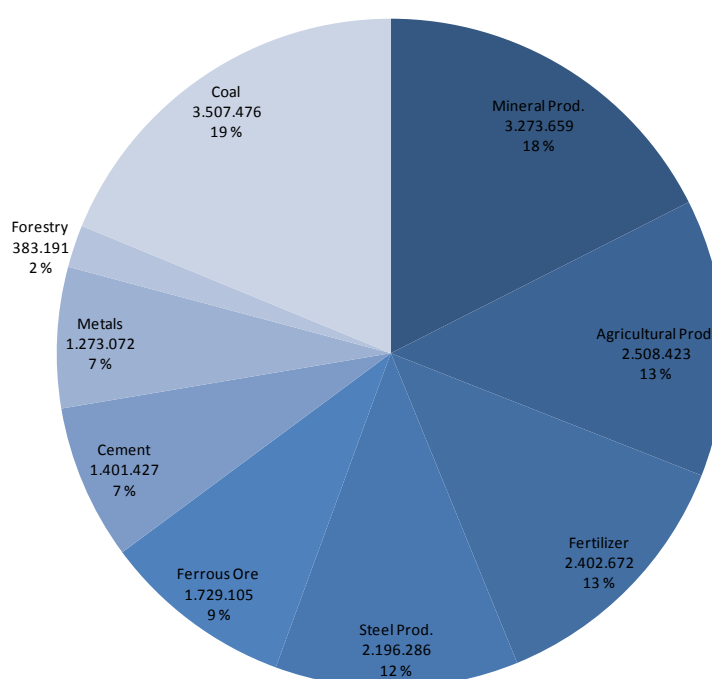
Western Bulk is currently on average controlling a fleet of 75 vessels (97 vessels in November 2009), and is one of the world's largest operators of Handysize, Handymax and Supramax tonnage. From 2004 to 2008, we controlled on average 50-60 vessels which means that we are currently expanding our operations throughout our 7 Business Units. We expect to maintain operations at the current level. Currently we charter in vessels from ship owners up to 8 years and we do not currently own any vessels, nor have any expensive long term commitments through newbuildings or expensive charters.

6. Long term Industrial clients

We have long term strategic relationships with large industrial companies and a highly diversified customer base. We strive to deliver the highest standard of service through persistent focus on quality, safety, flexibility and reliability. We have continued focus on volume growth, further building long term relations with strategic partners and to attract new industrial clients.

We have been able to secure our long term relationships through our continuous focus on quality and service. Our extensive fleet size enables us to have an efficient trading pattern and we ensure to charter in tonnage that serves our clients well. We have a group of port captains and cargo superintendents which ensures efficient loading and discharging in the ports. We mainly charter in newer, high quality vessels which reduces down time due to equipment failure.

In 2009 we transported a total of 18.6 million tonnes of cargo, diversified through the following cargo types:



7. Our vessel ambitions

Western Bulk has a declared strategy to secure a core fleet. We aim to secure a core fleet of less than 10 year old Supramax and Handysize vessels. The preferred Supramax vessels are between 52-58,000 dwt (trades well with the BSI). The preferred Handysize vessels are between 28-35,000 dwt (trades well with the BHSI). We aim to control 15-20 vessels with a 75/25 Supra/Handy split.

We prefer to do 3-15 years TC/BB structures with purchase options/obligations, or to secure vessels on our own and/or in J/V / partnerships with equity investors, banks, shipowners and technical managers. We are very flexible on structures and are open to do commercial management of vessels with profit split (on both the time charter and vessel values). We also look into novate newbuilding contracts and to make direct orders with ship yards.

Western Bulk has a very sound financial platform and has cash ready to invest if and when we find suitable projects.

In December 2009 Western Bulk acquired the Supramax M/V 'Western Oslo'. The 56,000dwt vessel is built in 2008 at IHI Ship Yard in Japan.

8. Global Presence – 24hr Accessibility Around the World

Oslo, Norway (GMT +1 hours)

- Western Bulk was incorporated in Oslo in 1982, and the office manages two of the six profit centers (Atlantic and Steel)
- The CEO, CFO and Business Development units are located in Oslo
- Commodities include: mineral products, steel products, grains, iron ore, and coal/coke.

Singapore (GMT +8 hours)

- The office in Singapore was established in 2005 and is responsible for the overall activity in the Indian Ocean and South East Asia regions.
- The Risk Management unit is located in Singapore
- Commodities include: mineral products, pet coke, fertilizers and other commodities

Seattle, USA (GMT -8 hours)

- The Seattle office was established in 1995 when Western Bulk acquired the Atle Jebsen Bulk Pool.
- The Seattle office main focus is in West Coast Americas (from Panama to Alaska and Hawaii)
- Commodities include: steel products, grains, agricultural products, and coal/coke.

Santiago, Chile (GMT -4 hours)

- The Chile operation in Concepción Bay for the forestry services was initiated in 1982, while the Santiago office was opened in 2006.
- The Chile office has strong relationships with several major Chilean and South American industrial companies
- In addition to the traditionally strong forestry segment, operations include transportation of grains, mineral products, and iron ore.

Perth, Australia (GMT +8 hours)

- The Perth office was established in 2002 to cover our operations in Australia and New Zealand

9. Summary

Western Bulk has demonstrated that we master our business model, even in volatile and distressed markets, with an efficient risk management model where we can generate healthy returns with low to moderate risk. We have invested over time in a very professional shipping team, with a thorough understanding of exposures, portfolio composition and risks.

The company is in a strong position to enter into long term deals at the current market levels. The Western Bulk brand name and reputation in the market have enabled us to become a long term partner with reputable industrial counterparts and ship owners.