

# PROSPECTUS



**J. Lauritzen A/s**  
Shipowners

## **J. Lauritzen A/S**

(a Danish company limited by shares organised under the laws of Denmark)

Business registration number 55 70 01 17

[www.j-l.com](http://www.j-l.com)

Listing on Oslo Børs of  
10.50 per cent J. Lauritzen A/S Senior Unsecured Bond Issue 2010/2015  
ISIN NO 001 0572381

Managers:

Nordea Bank Danmark

BNP Paribas

7 May 2010

## Important information

This Prospectus has been prepared by J Lauritzen A/S in order to provide information about J Lauritzen A/S and its business in connection with the listing on Oslo Børs of bonds in the 10.50 per cent J. Lauritzen A/S Senior Unsecured Bond Issue 2010/ 2015 (the "**Bond Issue**").

For the definitions of terms used throughout this Prospectus, see Section 12 "Definitions and Glossary of Terms".

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The Issuer has furnished the information in this Prospectus and accepts responsibility for the information contained herein. The Managers make no representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, nor shall be relied upon as, a promise or representation by the Managers. This Prospectus does not contain any offer to subscribe and/or purchase the Bonds. Oslo Børs has reviewed and approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act.

All inquiries relating to this Prospectus should be directed to the Issuer or the Managers. No other person has been authorised to give any information about, or make any representation on behalf of, the Issuer in connection with the Bond Issue, and, if given or made, such other information or representation must not be relied upon as having been authorised by the Issuer or the Managers.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Issuer or its subsidiaries subsequent to the date of this Prospectus. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the Issuer's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

**The distribution of this Prospectus may in certain jurisdictions be restricted by law. Persons into whose possession this Prospectus may come are required by the Issuer and the Managers to inform themselves about, and to observe, any such restrictions.**

The contents of this Prospectus shall not be construed as legal, business or tax advice. Each reader of this Prospectus should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

In the ordinary course of its business, the Managers and certain of its affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Issuer and its subsidiaries.

**Investing in the Bonds involves certain inherent risks. See Section 1 "Risk Factors" of this Prospectus.**

### Statistical and graphical information

Some of the statistical and graphical information contained in the Information Memorandum is supplied from the Clarkson Research Services Limited ("CRSL") database and other sources. CRSL has advised that (i) some information in CRSL's database is derived from estimates or subjective judgments, (ii) the information in the databases of other maritime data collection agencies may differ from the information in CRSL's database, (iii) whilst CRSL has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures and may accordingly contain errors, (iv) CRSL, its agents, officers and employees cannot accept liability for any loss suffered in consequence of reliance on such information or in any other manner, and (v) the provision of such information does not obviate any need to make appropriate further enquiries.

Any use of such data and graphical information appear with reference to Clarkson Research Services Limited.

### Notice regarding forward looking statements

This Prospectus includes "forward-looking" statements, including, without limitation, projections and expectations regarding the Issuer's future financial position, business strategy, plans and objectives. When used in this document, the words "anticipate", "believe", "estimate", "expect", "seek to" and similar expressions, as they relate to the Issuer, its subsidiaries or its management, are intended to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Issuer and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer and its subsidiaries operate. Factors that could cause the Issuer's actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to:

- the competitive nature of the markets in which the Issuer operates,
- global and regional economic conditions,

- government regulations,
- changes in political events, and
- force majeure events.

Some important factors that could cause actual results to differ materially from those in the forward-looking statements are, in certain instances, included with such forward-looking statements and in the section entitled "Risk Factors" (Section 1) in this Prospectus.

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## **1 RISK FACTORS**

### **1.1 General**

An investment in the Bonds involves a high degree of risk. Prospective investors should carefully consider the following risks, together with other information provided in this Prospectus, in deciding whether to invest in the Bonds. The occurrence of any of the events discussed below could harm the Issuer. If these events occur, the trading prices of the Bonds could decline and the Issuer may not be able to pay all or part of the interest or principal on the Bonds, and the investors may lose all or part of their investment. Additional risks not currently known to the Issuer or that the Issuer now deems immaterial may also harm the Issuer and affect your investment.

This Prospectus contains “forward-looking” statements that involve risks and uncertainties. The actual results of the Issuer may differ significantly from the results discussed in such forward looking statements. Factors that might cause such differences include those discussed below. See “Information Regarding Forward-Looking Statements.”

### **1.2 Industry risks**

Industry risks relate primarily to market volatility and cyclicity that the Issuer cannot influence or can only do so to a very limited extent. However, such risk factors are assessed on a daily basis in reviewing short-term market conditions and opportunities and they form the basis for the medium to long-term strategy of the Issuer.

In addition, geopolitical risks (e.g. sanctions and protectionist measures) may negatively affect the Issuer's profitability as well as the issuer's ability to implement its strategies.

The Issuer transports bulk commodities, liquefied gasses, crude and refined oil products and there is a close correlation between global economic trends, political interventions, the demand for such commodities and the associated requirement for ocean transportation. Similar factors create the business environment for the extraction of oil and gas which forms the basis for the Issuer's offshore services. Changes in global demand affect revenues, costs, utilization of assets and subsequently asset values.

Shipping, including servicing the offshore industry, is a cyclical industry with shorter or longer market cycles that create freight rate volatilities. The Issuer seeks to manage such risks through a balanced portfolio of owned vessels, time-chartered tonnage and cargo contract coverage supplemented with fuel oil hedging and to some extent Forward Freight Agreements (FFAs).

Business strategies comprising policies for contract coverage by vessel segments including FFAs, overall limits for off-balance sheet exposure (chartered tonnage) and fuel oil hedging, are all approved by the Board and reporting on these is an integral part of the Issuer's reporting routines.

Risks associated with fluctuations in asset values are assessed using models that incorporate forecast economic/physical service lives, shipping cycles and average costs per fleet unit.

### **1.3 Operational risks**

#### *Key personnel risk*

Managing the Issuer's current portfolio and attracting new orders is dependent on its senior management. Although no single individual is instrumental in this, departure of several key members of senior management may jeopardize profitability.

#### *Delivery of contracted newbuildings risk*

Long delays in or failure to take delivery of the vessels ordered due to problems at yards may have a negative effect on the results of the Issuer. Higher costs of newbuildings may also affect the Issuer's future profitability, although many changes are due to rising requirements from customers, which normally will be reflected in higher levels of rates. Each of the yards chosen for building vessels to the Issuer have a proven track record for timely delivery.

#### *Execution risk*

Ability to deliver vessels and equipment at the defined specification at the agreed time is important, and failure to do so may have a negative impact on the Issuer's results as charterers may be in a position to refuse delivery of the vessel.

#### *Partnership risk*

Partnerships, being an important part of the sourcing of tonnage for the Issuer, create risk in case default or bankruptcy of the individual partner materialises, due to the withdrawal of tonnage in such case. The Issuer

will in such circumstances do its utmost to obtain quiet enjoyment for sufficiently long period of time to ensure fulfilling obligations towards customers, alternatively through substitution.

#### *Renewal risk*

Renewal of existing contracts in the future at similarly rewarding levels or without period of off-hire cannot be guaranteed. New contracts or renewal of contracts might include investments in upgrading, however, normally compensated for in the rate achieved.

#### *Acquisition and sale of vessels*

Part of the Issuer's strategy includes acquiring and selling vessels. There are various risks associated with such a strategy, including, but not limited to, identifying suitable vessels to acquire, procuring the financing necessary for acquisitions of vessels on favourable terms, and identifying suitable buyers for the Issuer's vessels. Some or all of these factors may be beyond the Issuer's control, and could adversely affect the Issuer's ability to pursue this part of the Issuer's strategy.

#### *Terrorist risk*

Any terrorist incident may adversely impact the Issuer's profitability, and if sustained in a specific region of major importance to the business, it could potentially lead to the closing down of serving such area with loss of earnings opportunities for a period of time.

#### *Potential conflict of interest with its owner*

The owner of the Issuer, Lauritzen Fonden, is also involved in other shipping companies. There can be no assurance that future shipping business opportunities will not be allocated such other companies. Lack of business opportunities can adversely impact the Issuer's operations and profitability.

#### *Safety risk*

The Issuer recognizes the risks and potential hazards involved in owning, operating and managing a large, diversified fleet of ships worldwide. These risks include vessel performance in accordance with statutory requirements and additional customer requirements for health and safety, security, quality and environmental issues.

Casualties and property and environmental damages from ship operations can have serious consequences and, hence, merchant shipping is one the most heavily regulated industries in the world. The industry was among the first to adopt international safety standards while the international oil majors have implemented even further additional requirements relating to safety, environmental protection, etc.

Any accident may have serious consequences for the Issuer's financial position due to loss of income, repair costs, claims and damages and indirect loss relating to customer satisfaction.

The Issuer's main effort with respect to handling safety risks is to ensure that all ships under its control comply with comprehensive internal management systems that are in line with or exceed the requirements of the International Safety Management (ISM) code. Management systems and reporting practices are regularly revised so as to communicate best practice across the fleet, thus avoiding or minimizing the risk of incidents, accidents and time loss.

In addition, ongoing training of members of the crews is the key to minimizing risks relating to ship and cargo handling operations.

Piracy represents an increasing risk in certain parts of the world and the Issuer strictly adheres to recommendations from relevant national and international bodies.

#### *Insurance risks*

The Issuer's insurance strategy has been adopted with the aim of reducing the financial risks of any incidents and casualties.

The Issuer's insurances cover its assets, hired and operated fleet, cargo and non-marine risks. Insurance is taken out with top tier international insurance companies. As a general rule insurances are always taken out with a certain financial safety margin to avoid any serious consequential impact of an incident or casualty on the Issuer's financial status. However, pollution and environmental risks are generally not fully insurable, and the Issuer's insurance policies may not adequately cover all its losses, or may have exclusions of coverage for some losses. If a significant accident or other event occurs and is not fully covered by insurance, it could adversely affect the Issuer's financial position, results of operations and cash flows.

#### *Counterparty risks*

Managing counterparty risk has become an increasingly important part of the shipping industry, particularly in view of the current economic environment and the substantial entry of new players into the market. The Issuer's policy comprises both suppliers (e.g. critical IT systems) and customers (e.g. charterers).

Important counterparties are monitored and rated and limits to exposure have been established. Very large contracts and long-term commitments are reviewed and approved by the Executive Management and in some cases by the Board. Seeking the highest degree of guarantees from counterparties is part of the policy.

If a counterparty due to events beyond the control of the Issuer defaults its obligations this may affect results and cash flows of the Issuer. In case of default, the Issuer will do its utmost to secure fulfilment of the obligations of the counterparty, in case needed through indemnification, and to secure future cash flows through alternative employment or sale of assets.

The Issuer is constantly reviewing its policies with a view to extending the measures available to reduce counterparty risks.

#### *IT systems risk*

IT is critical for the conduct of the Issuer's business. Systems for "vessels-online" are being implemented, adding even further to the requirements of the Issuer's systems, platforms and infrastructure.

Both redundant systems and duplicate infrastructure are in place, and the Issuer frequently tests to see that restoring systems can be done within pre-defined time limits.

Breakdown of the IT systems can have a material adverse effect on the Issuer's operations, and consequently, its profitability.

### **1.4 Financial risks**

#### *General*

Financial risks relate to capital management risks (access to funding and liquidity) and in general to the financial markets (currency exchange rates, interest rates, stock market share prices) as well as credit risks (loss arriving from counterparties failure to fulfil its contractual obligations towards the Issuer).

Financial risk management only applies to underlying financial risks and hedging contracts are made to reduce these risks. Risks primarily relate to non-USD currencies, net interest rate and credit risks and access to well-functioning financial markets.

#### *Liquidity risk*

Liquidity risk relates to the risk that the Issuer will not be able to fulfil its financial obligations as they fall due.

Failure to access necessary liquidity could require the Issuer to scale back its operations, postpone or cancel plans to acquire ships or could have other materially adverse consequences for its business and its ability to meet its obligations

#### *Currency risk*

The Issuer's functional and reporting currency is USD and thus all amounts are recorded and reported in USD. By matching income and expenses and assets and liabilities the net currency risk is minimized leaving net positions to be focused on.

It is the policy of the Issuer to use derivative instruments to hedge the currency risks related to net non-USD cash flows from operating activities, investments and financing.

Operating cash inflows are mainly in USD (85%) and costs are also mainly in USD (68%). The most important non-USD cost currency is DKK arising mainly from head office costs and Danish crew expenses, and EUR mainly related to the technical management of vessels. Currency risk related to non-USD investments in ships relates to JPY and EUR. Currency risk related on non-USD interest bearing debt relates to JPY.

#### *Interest rate risks*

Certain of the Issuer's indebtedness is subject to floating interest rates. Consequently, the Issuer is exposed to fluctuations in interest rates.

It is the policy of the Issuer to hedge risks related to changes in interest rates to limit the negative financial effect of changes in interest rates by converting variable interest rates to fixed interest rates. USD credit facilities with a maturity longer than three years may be hedged up to 100%. Other facilities, with maturity up to three years, are presently not hedged. The Issuer will cover the net interest rate risk via forward rate agreements, interest rate swaps and related instruments if assessed as advantageous. However, there can be no assurance that these measures will be effective in mitigating the risk.

#### *Bunker oil price risk*

Bunker oil is a significant cost element for the Issuer, though oil price risk only relates to contracted cargo volumes not covered by BAF (Bunker Adjustment Factor). At present, most of the fleet is contracted either in the spot market, re-let or on T/C, and hence bunker oil price risk is limited.

#### *Credit risk*

Credit risk is the risk of incurring a financial loss if a customer or counterparty fails to fulfil its contractual obligations.

The Issuer evaluates customers for creditworthiness based on historical trading and payment records as well as industry knowledge and customer reputation. Further, customers and counterparties are accepted only when fulfilling the general requirements. In certain cases contracts are guaranteed by parent companies or similar.

The risks relating to financial instruments, bonds and cash funds are minimized by trading only with financial institutions with a long term credit rating from Moody's of A2 for financial products with a maturity of less than one year and Aa3 for financial products with a maturity of more than one year.

#### *Ability to service indebtedness is dependent on receipt of cash flows from subsidiaries*

As a holding company, the Issuer's principal assets consist of its direct and indirect shareholdings in its subsidiaries. Accordingly, the ability of the Issuer to make required payments of interest and principal on its indebtedness is effected by the ability of the Issuer's subsidiaries, its principal source of cash flow, to transfer available cash resources to the Issuer. The transfer of funds to the Issuer by its subsidiaries (by way of dividends, inter-company loans or otherwise) may be restricted or prohibited by legal requirements applicable to the respective subsidiaries and their directors.

### **1.5 Risks related to the Bonds**

#### *Ranking of the Bonds*

The Bonds constitute senior unsecured obligations of the Issuer. As such, the Bonds are effectively subordinated to the secured debt and any debt of the Issuer's subsidiaries outstanding from time to time. The Bonds rank equally in right of payment with the Issuer's senior unsecured debt outstanding from time to time and senior in right of payment to the Issuer subordinated debt (if any) outstanding from time to time. The secured creditors of the Issuer will have priority over the assets securing their debt. In the event that such secured debt becomes due or a secured lender proceeds against the assets that secure the debt, the assets would be available to satisfy obligations under the secured debt before any payment would be made on the Bonds. Any assets remaining after repayment of its secured debt may not be sufficient to repay all amounts owing under the Bonds.

#### *Financial covenants*

The senior secured credit facility requires, and the Issuer's future credit facilities may require, the Issuer and certain of its subsidiaries to satisfy specified financial tests and maintain specified financial ratios and covenants.

The Issuer's ability to comply with these ratios and to meet these tests may be affected by events beyond its control, and no assurance can be given that the Issuer will continue to meet these tests. The Issuer's failure to comply with these obligations could lead to a default under these credit facilities unless it can obtain waivers or consents in respect of any breaches of these obligations under these credit facilities. No assurance can be given that that these waivers or consents will be granted. A breach of any of these covenants or the inability to comply with the required financial ratios could result in a default under these credit facilities. In the event of any default under these credit facilities, the lenders under these facilities will not be required to lend any additional amounts to the Issuer and could elect to declare all outstanding borrowings, together with accrued interest, fees and other amounts due thereunder, to be due and payable after any applicable grace periods in such existing credit facilities. If the debt under the Issuer's credit facilities or the Bonds were to be accelerated, no assurance can be given that the Issuer's assets would be sufficient to repay such debt in full.

#### *The Issuer may be able to incur substantially more debt*

The terms of the Issuer's debt instruments permit it to incur additional indebtedness, including in connection with future acquisitions, some of which may also be secured. To the extent new debt is added to its currently anticipated debt levels, the substantial leverage related risks described above would be further exacerbated.

#### *Restrictions on the Issuer's ability to operate its business in its indebtedness*

Restrictions contained in the Issuer's indebtedness may limit its ability to, among other things:

- incur more debt;
- create security;
- pay dividends and make distributions or repurchase shares;

- make investments;
- carry on new businesses;
- enter into certain types of transactions;
- merge, demerge, consolidate or transfer and sell substantially all of its assets;
- sell assets; and
- engage in transactions with affiliates.

Certain restrictions also apply in respect of changes in the ownership to the shares in the Issuer.

The restrictions contained in the Issuer's indebtedness may adversely affect the Issuer's ability to finance its future operations or capital needs, or to engage in other business activities that may be in its interest.

*Trustee's ability to take legal actions*

The Bond Agreement provides for the Trustee to take action on the bondholders' behalf in certain circumstances. Due to Norwegian law, it may not be possible for the Trustee to take certain action in relation to the Bonds and accordingly, in such circumstances, it will be for the bondholders to take action directly.

*The Issuer may not be able to repurchase the Bonds if a change of control occurs*

A "change of control" is an event upon which a person or a group of persons acting in concert (other than Lauritzen Fonden), directly or indirectly acquire the right to cast, at a general meeting of the shareholders of the Issuer, more than 50% of the voting shares of the Issuer. If a change of control occurs, each of the bondholders may require the Issuer to purchase any or all of its Bonds at 100% of their principal amount together with accrued and unpaid interest. However, the Issuer may not have enough money to purchase the Bonds upon a change of control and also may not be able to raise the money to do so.

*An active liquid trading market for the Bonds may not develop, and if developed, may not be maintained*

The liquidity of the trading market in the Bonds, and the market price quoted for the Bonds, may be adversely affected by changes in the overall market for similar yield securities, interest rates and the Issuer's financial performance or prospects or in the prospects for companies in its industry generally. As a result, an active trading market for the Bonds may not develop or be maintained.

Historically, the markets for non-investment grade debt, such as the Bonds, have been subject to disruptions that have caused substantial volatility in their prices. Any market for the Bonds may be subject to similar disruptions. Any such disruptions may affect the liquidity and trading of the Bonds independently of the Issuer's financial performance and prospects and may have an adverse effect on the holders of the Bonds.

*Transfers of the Bonds will be subject to certain restrictions*

The Bonds have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. Therefore, you may not offer or sell the Bonds in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, or pursuant to an effective registration statement. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. You should read the discussion under the heading "Important information" for further information about the transfer restrictions that apply to the Bonds. It is your obligation to ensure that your offers and sales of Bonds within the United States and other countries comply with all applicable securities laws.

*Governing insolvency laws*

The Issuer is organized under the laws of Denmark. Accordingly, any insolvency proceedings with respect to the Issuer would proceed under, and be governed by, the insolvency laws of Denmark. These laws may not be as favourable to your interests as a creditor as the laws of other jurisdictions.

**2 RESPONSIBILITY FOR THE PROSPECTUS**

J. Lauritzen A/S accepts responsibility for the information contained in this Prospectus. We hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.



TORBEN JANHOLT

7 May 2010

J. Lauritzen A/S



BIRGIT AAGAARD-SVENDSEN

### 3 THE OFFERING

#### 3.1 Use of proceeds

The net proceeds from the Bond Issue are approximately NOK 687 million. The net proceeds will be used for the Issuer's general corporate purposes.

#### 3.2 Terms of the Bonds

*The summary below describes the principal terms of the Bonds. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Bond Agreement attached as appendix 1 to this Prospectus contains the complete terms and conditions of the Bonds.*

ISIN:	NO 001 0572381
Common Code:	050606031
The reference name of the Bond Issue:	10.50 per cent J. Lauritzen A/S Senior Unsecured Bond Issue 2010/2015
Issuer:	J. Lauritzen A/S
Security type:	Bond issue with fixed rate
Issue size:	NOK 700,000,000
Denomination:	Each bond has a denomination of NOK 500,000
Securities form:	The Bonds are electronically registered in book-entry form with the VPS.
Disbursement date:	5 May 2010
Interest bearing from and including:	Disbursement Date
Interest bearing to:	Maturity
Maturity:	5 May 2015
Interest Payment Date:	Annually in arrear, each 5 May commencing on 5 May 2011 until the Maturity Date.
Issue Price:	100% (par value)
Pre-subscription:	In order to secure the successful placement of the Bonds, a limited number of investors that pre-subscribed to Bonds in the Offering were offered a pre-subscription fee of up to 1.25% of the par value of the Bonds they pre-subscribed for.
Yield:	10.50%.
Day count fraction:	30/360
Business Day Convention:	No Adjustment of Business Day - no adjustment will be made, notwithstanding that the period end date occurs on a day that is not a Business Day, and if such date is not a Business Day, payments of interest will be made on the first following day that is a Business Day.
Amortisation:	The Bonds shall mature in full on the Maturity Date, and shall be repaid at par (100%) by the Issuer.
Business Day:	Any day on which Norwegian commercial banks are open for general business, and when Norwegian banks can settle foreign currency transactions, being any day on which the Norwegian Central Bank's settlement system is open.
Change of control:	Upon the occurrence of a "change of control" (which for the purpose of the Bond Agreement shall mean that a person or a group of persons acting in concert (other than Lauritzen Fonden (The Lauritzen Foundation)), directly or indirectly acquire (including by purchase, merger etc.) or have the right to cast, at a general meeting of the shareholders of the Issuer, more than 50% of the voting shares of the Issuer (cf. the Norwegian Limited Companies Act section 1-3)), each of the bondholders may require the Issuer to purchase any or all of its Bonds at 100% of their principal amount together with accrued and

unpaid interest, if any, to the date of purchase.

Taxation:	All payments in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, levies, imposts, duties, charges, fees, deductions and withholdings, unless such withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as may be necessary to compensate Bondholders for such withholding or deduction.
Tax redemption:	In the event of certain developments affecting taxation, the Issuer may redeem the Bonds in whole, but not in part, at a price of 100% of the principal amount, plus accrued and unpaid interest, if any, to the date of redemption.
Time limits on payments:	Interest and principal due for payment will be credited each Bondholder directly from the Securities Depository. Claims for interest and principal shall be time barred in accordance with the Norwegian Act on Limitation Period of 18 May 1979 no 18.
Ranking of the Bonds:	The Bonds are senior debt of the Issuer. The Bonds rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar mandatory laws) and rank ahead of subordinated debt. The Bonds are structurally subordinated to all existing and future debt of the subsidiaries of the Issuer and effectively subordinated to all existing and future secured debt of the Issuer to the extent of the assets securing such debt.
Undertakings:	The Issuer shall at all times on a consolidated basis maintain Cash and Cash Equivalents of at least USD 50,000,000. The Issuer shall, on a consolidated basis, maintain an Equity Ratio of at least 30%. Please see the Bond Agreement, attached hereto as Appendix 1, for further details on the Issuer's undertakings.
Listing and admission to trading:	The first day of trading of the Bonds on Oslo Børs is expected to be on or about 10 May 2010.
Purpose:	The net proceeds of the Bonds shall be employed by the Issuer for general corporate purposes.
Approvals:	The issuance of the Bonds was made in accordance with the Issuer's Board resolutions of 15 December 2009 and 16 March 2010.
Limitation of claims:	Claims of interest and principal shall be subject to the time-bar provisions of the Norwegian Limitation Act of 18 May 1979 No. 18.
Bond Agreement:	The Bond Agreement, attached hereto as Appendix 1, has been entered into between the Issuer and the Trustee. The Bond Agreement sets out the Bondholders' rights and obligations in the Bonds. The Trustee have entered into the Bond Agreement on behalf of the Bondholders and been granted authority to act on behalf of the Bondholders to the extent provided for in section 17 of the Bond Agreement. When Bonds are purchased, the Bondholder is deemed to have accepted the Bond Agreement and shall be bound by its terms.
Bondholders' Meeting:	The Bondholders' Meeting represents the supreme authority of the Bondholders community in all matters relating to the Bonds. If a resolution by the Bondholders is required, such resolution shall be passed at a Bondholders' Meeting. Resolutions passed at Bondholders' Meetings shall be binding upon and prevail for all the Bonds. At the Bondholders' meeting each Bondholder shall have one vote for each Bond he owns as at the close of business on the day prior to the date of the Bondholders' Meeting in accordance with the records registered in the Securities Register. Whoever opens the Bondholders' Meeting shall adjudicate any question concerning which Outstanding Bonds shall not count as Voting Bonds, and thus shall not have any voting rights. In order to form a quorum, at least half (1/2) of the Voting Bonds must be represented at the meeting, see however Clause 16.4. Even if less than half (1/2) of the Voting Bonds are represented, the Bondholders' Meeting shall be held and voting completed. In the following matters, a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required: amendment of the terms of this Bond Agreement regarding the interest rate, the tenor, redemption price and other terms and conditions affecting the

cash flow of the Bonds; transfer of rights and obligations of this Bond Agreement to another issuer, or change of Trustee. For more details, please see the Bond Agreement Clause 16.

Availability of the Bond documentation:	<a href="http://www.j-l.com">www.j-l.com</a>
Trustee:	Norsk Tillitsmann ASA, P.O. Box 470 Vika, N-0116 Oslo, Norway
Managers:	Nordea Bank Danmark and BNP Paribas
Paying Agent:	Nordea Bank Norge ASA, Verdipapirservice, Middelthunsgate 17, N-0362 Oslo
Securities Depository:	<p>The Securities Depository in which the Bonds are registered. The Securities Depository is Verdipapirsentralen, Biskop Gunnerus' gate 14A, 0185 Oslo, Norway (the "VPS").</p> <p>Investors with accounts in Euroclear or Clearstream, Luxembourg may hold the Bonds in their accounts with such clearing systems and the relevant clearing system will be shown in the records of the VPS as the holder of the relevant amount of the Bonds.</p>
Market-making:	There is no market-making arrangement entered into in connection with the Bonds.
Legislation under which the Bonds have been created:	Norwegian law
Transfer restrictions:	<p>None of the Bonds has been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"). The Bonds may only be offered and sold in offshore transactions outside the United States in reliance on Regulation S ("Regulation S") under the U.S. Securities Act and, except in a transaction exempt from the registration requirements of the U.S. Securities Act, may not be offered, sold or delivered within the United States or to or for the benefit of U.S. persons.</p> <p>All offers of Bonds have been made pursuant to an exemption under the Prospective Directive, as implemented in Member States of the European Economic Area ("EEA"), from the requirement to produce a prospectus for offering of securities. Accordingly, any person making or intending to make any offer within the EEA of Bonds which is subject to the placement contemplated by this term sheet, should only do so in circumstances in which no obligation arises for the Issuer or the Managers to produce a prospectus for such offering.</p>
Governing Laws:	The Bonds and the Bond Agreement are governed by the laws of Norway.

## **4 BUSINESS OVERVIEW**

### **4.1 General**

The Issuer is a shipping company engaged in worldwide operation of bulk carriers, gas carriers, product tankers, shuttle tankers and offshore service and accommodation units.

The Issuer is a private limited company with domicile in Denmark. The Issuer is registered with the Danish Commerce and Companies Agency (Erhvervs- og Selskabsstyrelsen) with business registration number 55 70 01 17 and is subject to the laws of Denmark. The Issuer was founded on 15 April 1884 and incorporated in its current form on 4 January 1938.

The Issuer's registered office and main place of business is at 28, Sankt Annae Plads, Copenhagen, Denmark, telephone +45 3396 8000, telefax +45 3396 8001, web address [www.j-l.com](http://www.j-l.com).

Overseas offices are located in Brazil (Rio de Janeiro), China (Shanghai), Japan (Tokyo), the Philippines (Manila), Singapore, Spain (Bilbao) and USA (Stamford).

### **4.2 Bulk carriers**

#### ***The bulk carrier market***

Dry bulks are traded worldwide and the main commodities comprise iron ore and coking coal (i.e. raw materials for steel production), steam coal (used for power generation) and grain. The key long-term driver of demand for maritime transports of dry bulks is industrialization and the subsequent increase in steel and power consumption. In addition, demand for bulk carriers is fairly closely correlated with the general business cycle, due to importance of fixed investments in creating business cycles. Besides these major commodities, a variety of other commodities are transported in bulk carriers, e.g. fertilizers, minerals and cement.

Bulk carriers, being specialized vessels for the carriage of dry bulks with distinct economies of scale characteristics, vary in size from 10,000 dwt to 365,000 dwt, numbering approximately 7,400 units according to Clarkson Research Services Limited<sup>1</sup> as of beginning of 2010. The dry bulk carrier market is fragmented with a large number of suppliers and customers. Cost of entry is relatively low and the complexity of managing bulk carriers is also comparatively low. Technical as well as commercial management outsourcing is common.

Major competitors comprise Pacific Basin Group, DS-Norden A/S, Clipper, Oldendorff Carriers, and Western Bulk Group.

Contracts are either spot (single voyage), trip charter, CoA, period charter or bare boat charter. The spot market is very liquid and there is an active market for FFAs as well.

Bulk carriers are very liquid assets with a well-functioning sale and purchase market.

#### ***Supply and demand last 3-5 years***

During the last five years, high economic growth rates and industrialization in the resource poor emerging Asian countries have secured high demand growth rates for maritime transports of dry bulks. A main factor has been China's enormous appetite for iron ore and coal to support steel production for the construction sector.

During the present economic crisis, global steel production has been severely affected, although China's steel production growth has remained high during 2008 and 2009 as well. Furthermore, China's domestic iron ore resources lost competitiveness due to falling iron ore prices, which caused Chinese iron ore imports to increase significantly and thus supported demand for dry bulk maritime transport.

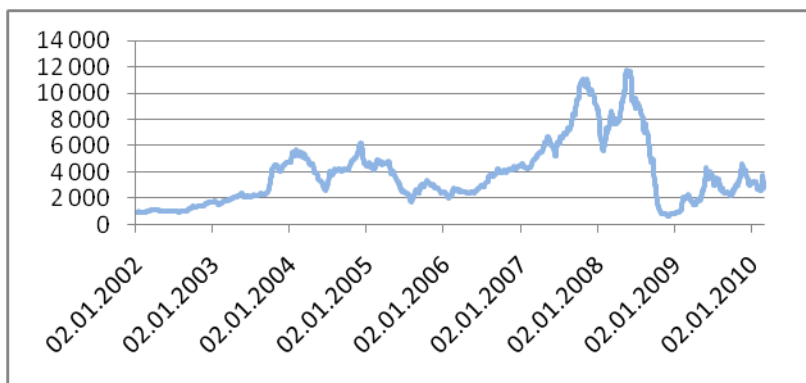
Deliveries of new vessels from shipyards were not able to keep up with the high demand growth rates in 2006-08, causing freight rates for bulk carriers to reach all times high. During the boom, a substantial order book was scheduled for delivery within the next 3-4 years. However, cancellations of orders and increased scrapping are expected to reduce scheduled fleet growth. In addition, port congestion, in particular in Chinese ports, reduces the available fleet.

The most profitable cycle ever in the dry bulk industry ended with the emergence of financial crisis in late 2008, which caused dry bulk freight rates and the Baltic Dry Index to collapse, cf. figure overleaf. However, strong demand from especially China continued to support the demand side and port congestion, cancellations of orders and slippage reduced fleet growth. In combination, these factors secured a restoration of the market balance as from mid 2009 with freight rates at more "normal" levels, compared to the recent super cycle.

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<sup>1</sup> Source: Dry Bulk Trade Outlook, Volume 16, Number 3

Figure 1: Baltic Dry Index 2002-10 (1 November 1999 = 1,000)



Source: Clarkson Research Services Limited, data extract by the Issuer from [www.clarksons.net](http://www.clarksons.net) (SIN-05)

### **Lauritzen Bulkers**

Lauritzen Bulkers operates a total of about 80 Handysize, Handymax, Panamax and Capesize bulk carriers.

Lauritzen Bulkers aims to secure high forward coverage for larger bulk carriers, which are characterized by large order books relative to fleet size, relatively young fleet age and large volatility in the spot market. For Handysize bulk carriers, where Lauritzen Bulkers has a long time presence, the exposure to the spot market is kept higher. Thus, high contract coverage has been secured in the Capesize, Panamax and Handymax segments, whereas contract coverage for Handysize is limited, albeit at a higher level than in the past few years.

In 2009, Lauritzen Bulkers' total number of ship days reached 28,655 with 78.5 vessels on average, 4% up on the figure reported in 2008. A strong market reputation and a modern fleet contributed to securing Lauritzen Bulkers a high fleet utilization. Off-hire for Lauritzen Bulkers' own fleet, including scheduled dry docking, was 1.5%.

Lauritzen Bulkers' fleet of Handysize bulk carriers, including owned, part-owned, time-chartered and partner tonnage, comprised 53 vessels at year-end 2009, with Island View Shipping as the major pool partner. Lauritzen Bulkers manages one of the top 5 Handysize pools worldwide which secure economies of scale and a competitive edge.

On average, the Handymax fleet in 2009 comprised 7.8 vessels compared to 6.8 vessels in 2008, with a further 5.1 Panamax vessels (4.2 in 2008), and 2.8 Capesize vessels (2.4 in 2008).

### **Fleet management**

Technical management, including crewing for Lauritzen Bulkers' fleet of own bulk carriers, is undertaken by part owned New Century Overseas Management Inc., Manila (NCO), a subsidiary of Good Hope Overseas Management Inc., and by Fleet Management Ltd., Hong Kong.

## **4.3 Gas carriers**

### **The small gas carrier market (3-20,000 cbm)**

Gas carriers are specialised tankers, designed for the carriage of petroleum gases, petrochemical gases and ammonia, using pressure, refrigeration or a combination of refrigeration and pressure to liquefy the gas cargoes. Small gas carriers, comprising approximately 500 units, serve the market for regional distribution as well as interregional transportation, with carriage of petrochemical gases being the main product category.

Liquefied petroleum gases (LPG) are used for domestic heating, transportation, power production, and as feedstock to the petrochemical industry. Particularly usage of LPG for domestic purposes is growing rapidly in industrializing countries. Petrochemical gases, including ethylene, enter into the production of plastics, fibres, films for packaging, adhesives etc., implying a strong correlation with income level per capita and the business cycle in their consumption.

Demand for modern gas carriers is created by deficits of either liquefied petroleum or petrochemical gases due to structural features (demand exceeds local output) and/or seasonal features (demand for liquefied petroleum gases jumps during the winter season in the Northern Hemisphere), necessitating imports of products from other locations. The build-up of a large cost-effective cluster of steam crackers (production facilities for petrochemical gases) in recent years in the Middle East Gulf (MEG) has created a large increase in export material, thereby creating more long haul business.

The market is characterized by a limited number of vessel operators (sufficiently large and sophisticated in terms of fleet to serve customers' wish for CoAs) and customers (oil companies, petrochemical companies, and commodity traders).

Competitors comprise Unigas Pool, GasChem Pool, Eitzen Gas, Norgas and A. Veder.

Contracts are either spot (single voyage), CoA, period charter or bare boat charter. The spot market is liquid. Although CoAs normally have a duration of one year, rate of retention is high in the market.

Cost of entry is medium to high, depending on the sophistication of the vessels. Complexity of managing small gas carriers is increasing due to both regulation and customer requirements.

Gas carriers are liquid assets with a well functioning sale and purchase market.

### **Supply and demand last 3-5 years**

Although a dip was encountered in 2009, the medium-term demand trend for smaller gas carriers has been solidly upwards, driven by rising demand for plastic products particularly in emerging markets. Over time steam crackers get bigger in order to achieve economies of scale and high sophistication in terms of meeting product specifications at ever higher standards. The cost of equipping newbuildings with advanced cooling systems has been reduced in the past five to ten years, thereby lowering the cost of transporting gases. In combination with the emergence of very cost-effective steam crackers in MEG, this has increased competition in world markets for petrochemical gases, opening up for a rise in seaborne demand for small gas carriers with a rise in average haul.

Up to and including 2007, demand growth outpaced supply growth. Since then an erosion of the market balance has occurred. Beginning 2010, a pick-up in spot rates took place, cf. the figure below. During the past couple of years, the orderbook of small gas tankers has declined, as deliveries outpaced new ordering.

### **Lauritzen Kosan**

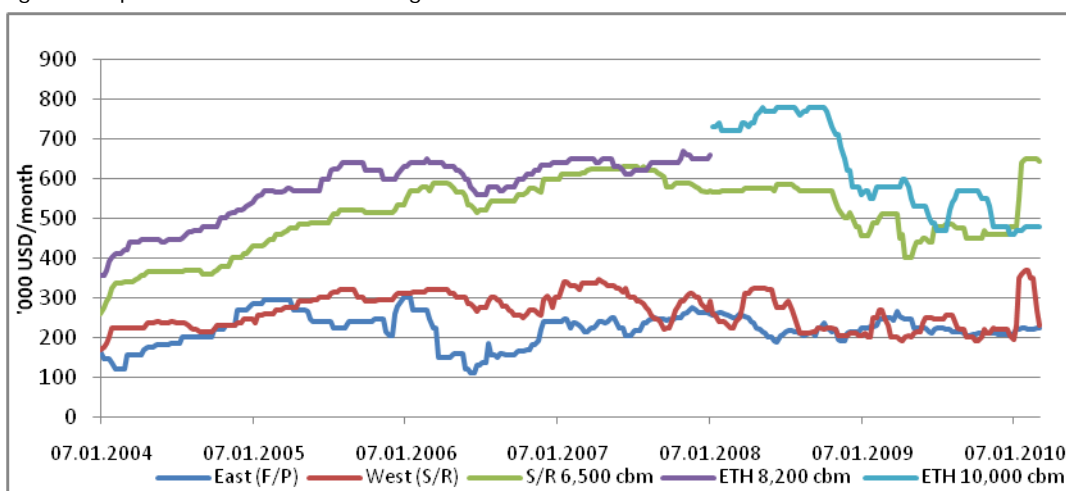
Lauritzen Kosan operates a fleet of about 50 semi-refrigerated/ethylene and fully pressurised gas carriers up to 10,000 cbm.

Lauritzen Kosan operates with a high proportion of coverage for the fleet through cargo contracts with a number of the ethylene carriers being employed on long-term time charter.

Lauritzen Kosan's fleet comprised 29 fully or part-owned and bareboat chartered vessels at year end 2009. The average age of the company's own fleet was 8.6 years, compared to 7.6 years at the year-end 2008.

On average, the operated fleet consisted of 25 semi-refrigerated/ethylene gas carriers (23 vessels in 2008) with a capacity of about 152,000 cbm.

Figure 2: Spot market rates for small gas carriers 2004-10



Source: Data compiled by the Issuer from Fearnley's Weekly, various issues

Further, Unigas Kosan Ltd, Hong Kong, the 50/50 partnership with Othello Shipping, the Schulte Group and Sloman Neptun operated a fleet of 20 fully pressurized gas carriers in 2009, down from 21 vessels in 2008, with a combined capacity of about 74,000 cbm.

In 2009, total ship days reached 17,020 for 46.6 vessels on average compared to 16,077 days for the average of 43.9 vessels reported in 2008. The increase in ship days reflected the increasing number of ethylene carriers employed.

### ***Fleet Management***

The entire fleet of ethylene carriers and part of the non-ethylene/semi-refrigerated carriers are technically managed in-house by Lauritzen Kosan fleet management. The balance of Lauritzen Kosan's semi-refrigerated gas carriers is technically managed by wholly-owned Gasnaval S.A., Bilbao, whereas fleet management of the fully pressurized vessels is handled by part-owned Star Management Associates, Tokyo

Lauritzen Kosan is highly conscious of health and safety and environmental issues, and complies with strict technical and operational standards and procedures for the fleet. Customer inspections and vetting of vessels are conducted at regular intervals, and the company works closely with customers to ensure that the fleet complies with their requirements. During 2009, the company's fleet underwent close to 170 customer vetting inspections.

Six scheduled dry-dockings were completed during 2009 (nine in 2008). Scheduled and unscheduled offhire including scheduled dry-docking was 3.6% in 2009 compared to 3.9% in 2008.

Several initiatives are under way to ensure that high quality and safety levels can be sustained and improved. In addition to continuous administrative improvements, the focus is on training and developing the Issuer's crews. In 2009, an initiative was launched to strengthen office to vessel communications and to ensure that seafarers are in the best position to carry out their work in line with the Issuer's standards and values, supported by a newly established representative office in Manila.

#### **4.4 Offshore support vessels**

Production of offshore oil and gas is on a strongly rising trend, as onshore fields are depleted. Further, the market for deepwater exploration, development, and production is growing even more strongly, as fields in shallow waters are now more or less mature. The overriding driver of this trend is oil and gas consumption which is growing, mainly in emerging markets. As a result, demand for the support of installation, maintenance, servicing etc. on deepwater oil and gas installations is growing.

Many specialized vessels are involved in this, among them shuttle tankers and accommodation support vessels.

#### ***Shuttle tankers***

Shuttle tankers are specialized ships designed to transport crude oil and condensates from offshore oil field installations to onshore terminals and refineries. The global shuttle tanker fleet comprises 56 vessels.

Shuttle tankers are equipped with sophisticated bow loading systems and dynamic positioning systems that allow vessels to load cargo safely and reliably from oil field installations.

The main markets comprise the North Sea, Brazil, Canada and Australia, but shuttle tankers are also employed in Russian and African waters. The Mexican Gulf is a relatively new area for shuttle tankers.

Customers are major oil companies or contractors running offshore installations. Competitors comprise Teekay Corporation, Knutsen OAS Shipping AS, JJ Uglund Group and OSG. Shuttle tankers are normally employed on long-term time charter or bare boat charterparties at fixed rates, catering for a specific offshore field. In the North Sea, CoAs for shuttle tankers are common.

The main competitive parameters comprise the following main elements: Price (rate), availability, size, technical sophistication and age and condition of the vessel, as well as reputation/track record of the vessel's manager. Technical sophistication includes ability to operate in harsh environments.

Part of the fleet of shuttle tankers is converted crude oil or product tankers.

Shuttle tankers face competition from subsea pipelines, however, only in shallow waters, on oil fields close to shore, and where sea bed conditions are of no concern.

#### ***Accommodation and Support Vessels***

Accommodation and Support Vessels (ASVs) are specialized ships designed to function as accommodation and work station in connection with above-sea construction as well as maintenance and repair of offshore installations.

High class ASVs are equipped with sophisticated gangways and dynamic positioning systems that allow vessels to tie up safely and reliably to oil field installations.

Mono-hull ASVs are self-propelled structures which enable fast and flexible transfer and repositioning between more installations units without support from anchor-handling and platform supply vessels.

ASVs compete with large semi-submersible accommodation platforms in deepwater areas of oil and gas installations. In more shallow waters, ASVs may compete with barges and platforms.

The main markets comprise Brazil, North Sea, Australia, the Mexican Gulf and West Africa. Customers are major oil companies or contractors running offshore installations.

The market leader is Prosafe with other competitors comprising Flotel International, Consafe and Østensjø. Competing for the highly specialized projects on the deep water are only around 25 units, of which only a handful of mono-hull ASVs. To the best of the Issuer's knowledge, there is only one technologically advanced mono-hull ASV in operation as of today, i.e. the Issuer's Dan Swift.

ASVs are normally employed on short and long-term time-charter as well as bare boat charterparties at fixed rates, catering for a specific offshore field.

The main competitive parameters comprise the following main elements: Price (rate), availability, size, technical sophistication such as gangways, passenger comfort and accommodation logistics, age and condition, as well as reputation/track record of the vessel's manager in terms of running the operation to the customers' specific requirements in terms of health, safety and environmental issues.

### ***Lauritzen Offshore Services***

In its first year of operation, Lauritzen Offshore Services' total number of ship days reached 390 (59 days in 2008). At year-end 2009, the operation included the technologically advanced mono-hull ASV "Dan Swift" and shuttle tanker "Dan Eagle". The "Dan Swift" is currently on employment to Statoil, considered one of the most demanding customers, on a project in Brazil.

### ***Fleet management***

Lauritzen Offshore Services performs in-house ship management functions for the offshore units.

Being a pioneer in the development of a new accommodation vessel concept demands close attention to quality management, which is a strong driver for retaining technical management and competencies. This applies to project development where accrued know-how gives a significant competitive edge but also in day-to-day operations and maintenance where increasing experience leads to a better balance between cost control and quality assurance.

### ***Health, Safety and Environment***

Lauritzen Offshore Services has implemented high Health, Safety and Environment (HSE) standards as required by the offshore oil & gas industry. Its HSE philosophy is based on a ZERO mindset in which it commits itself to the active prevention of all incidents and accidents. HSE is always at the forefront of its approach and forms an integral part of its operations.

## **4.5 Product tankers**

### ***Medium range – 30-60,000 dwt product tanker market***

The product tanker is a specialized tanker, designed for the carriage of liquid petroleum products, vegetable oils, and, if certified, also some types of chemicals. Product tankers vary in size from less than 10,000 dwt to about 120,000 dwt, with medium range product tankers, comprising approximately 1,600 units being the largest segment according to Clarkson Research Services Limited<sup>2</sup>.

Demand for refined products is determined by income level per capita and price. Consumption of some of the products like gasoil is more closely correlated with the business cycle than e.g. gasoline. There is a growing demand for refined oil products, mainly in emerging markets as a result of the rising ownership of cars, of better housing with all its amenities.

Demand for product tankers is created by refineries being unable to satisfy local demand either due to structural features (demand exceeds local output) and/or seasonal features (demand for gasoline and/or diesel jumps during the summer season in the Northern Hemisphere) necessitating imports of products from other locations. Location of refineries in relation to consumer markets is an important driver of demand.

The market is fragmented with many customers (oil companies and commodity traders) and many suppliers (individual operators, owners or pools).

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<sup>2</sup> Source: Data extract by the Issuer from Clarkson register, January 2010

Major players in the MR segment comprise Torm's MR Pool, the Norient Pool, Navig8 and Handytankers Pool.

Contracts are either spot (single voyage), trip charter, CoA, period charter or bare boat charter. The spot market is very liquid and there is an active market for FFAs as well.

Cost of entry is relatively low and the complexity of managing product tankers is relatively low, but rising due to increasing customer requirements.

Product tankers are very liquid assets with a well functioning sale and purchase market for vessels.

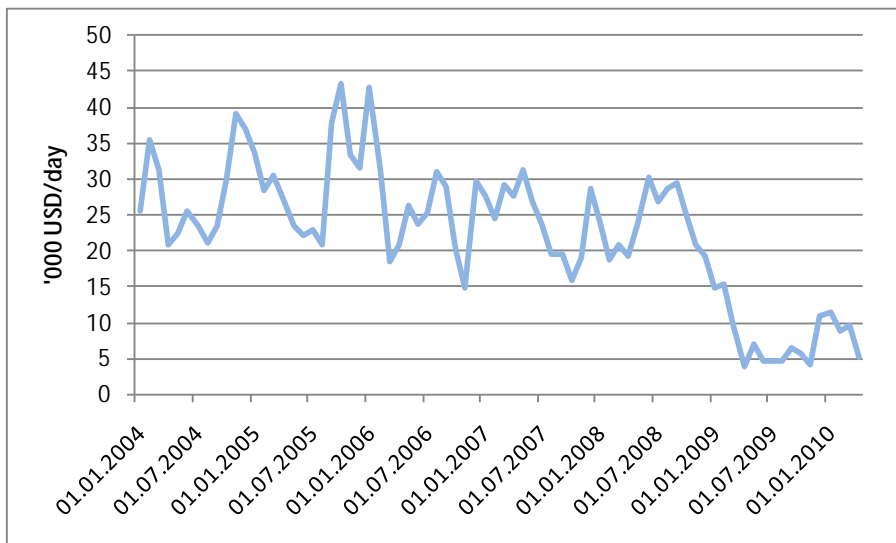
**Supply and demand last 3-5 years**

Although a dip was encountered in 2009, the medium-term demand trend for product tankers has been solidly upwards, driven by rising demand for refined products, both in advanced economies and in emerging economies. Over time refineries get bigger in order to achieve economies of scale and high sophistication in terms of meeting refined product specifications at even higher standards, e.g. products with low sulphur content. This has created more demand for product tankers, the more so as refineries increasingly are located closer to the oil production rather than close to the end consumer, with a rise in average haul as a result.

Up to and including 2005, demand growth outpaced supply growth, thereafter matching supply growth for more than 2½ years. Mid 2008 rates started sliding and after the collapse in financial market in the autumn 2008, earnings dropped rapidly hitting lay-up levels by 2nd quarter 2009, cf. figure below. Towards the end of 2009, a pick-up took place. During the past couple of years, the orderbook of medium range product tankers has declined, as deliveries outpaced new ordering.

The phase-out of single hull tankers by end 2010 may accelerate scrapping of product tankers. The scheme is based on a ban of single hull tankers as from end 2010, however, with some caveats.

Figure 3: Average earnings for medium range product tankers of selected routes 2004-10



Source: Clarkson Research Services Limited data extract by the Issuer from www.clarksons.net (SIN-05)

**Lauritzen Tankers**

Lauritzen Tankers operates with a high proportion of coverage for the fleet with time-charters to first class charterers.

In 2009, total ship days reached 3,824 with 10.5 vessels on average compared to the 4,229 days with 11.6 vessels on average reported in 2008.

At the end of 2009, Lauritzen Tankers controlled a fleet of 10 medium range product tankers.

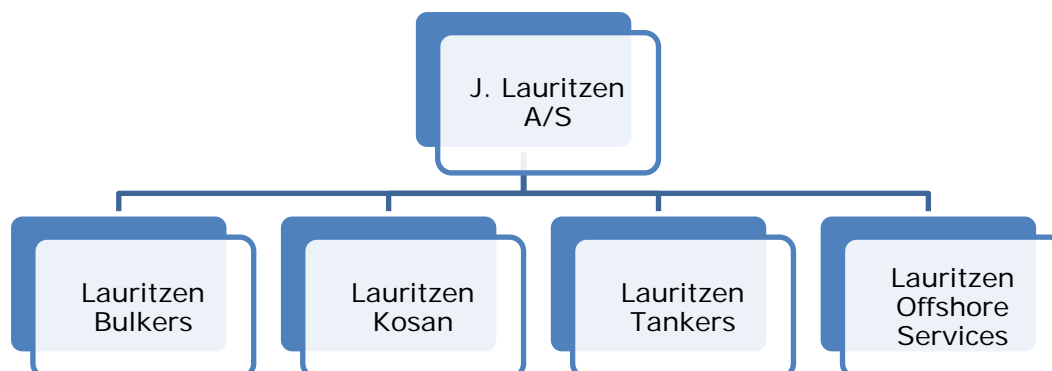
**Fleet management**

Technical fleet management of Lauritzen Tankers' owned fleet is undertaken by Lauritzen Offshore Services, which has outsourced part of the fleet to Wallem Shipmanagement Ltd., Hong Kong, and Meiji Shipping Group, Tokyo.

Lauritzen Tankers focuses constantly on the efficiency of technical management in order to meet increasing customer requirements while staying competitive.

## 5 ORGANISATIONAL STRUCTURE

The below chart sets out the Issuer's main activities, while the below list sets out the name and country of incorporation of each subsidiary and affiliated company of the Issuer.



Company name	Country	Ownership %
J. Lauritzen A/S	Denmark	-
Segetrans Argentina S.A.	Argentina	100
Greden Limited	Bahamas	100
Labas (Bahamas) Ltd.	Bahamas	100
Shoreoff Invest Bermuda Ltd.	Bermuda	100
Dan Swift do Brasil Serviços Ltda	Brazil	100
Frio Grande do Norte Ltda. **	Brazil	33
J. Lauritzen Inversiones (Chile) Ltda.	Chile	100
East Gate Shipping Ltd.	China	100
J.Lauritzen Shanghai Co. Ltd	China	100
Owneast Shipping Limited	China	100
Unigas Kosan Ltd. *	China	50
Freja Sirius A/S *	Denmark	25
Freja Polaris A/S *	Denmark	25
ID Handysize A/S *	Denmark	40
KRK 4 ApS	Denmark	100
KRK 4a ApS	Denmark	100
K/S Bulkinvest 30 *	Denmark	18
K/S Danred I *	Denmark	44
K/S Danred II *	Denmark	40
K/S Danred III *	Denmark	35
K/S Danred IV *	Denmark	30
K/S Danskib 30 *	Denmark	10
K/S Danskib 34 *	Denmark	20
K/S Danskib 63 *	Denmark	14
K/S Danskib 68 *	Denmark	40
K/S Danskib 69 *	Denmark	40
K/S Danskib 72 *	Denmark	20
K/S Danskib 73 *	Denmark	33
K/S Danskib 74 *	Denmark	40
K/S Danskib 77 *	Denmark	20
K/S Handybulk *	Denmark	34
LauritzenBlueC A/S *	Denmark	33
Lauritzen Bulkers A/S	Denmark	100
Lauritzen Kosan A/S	Denmark	100
Lauritzen Offshore Services A/S	Denmark	100
Lauritzen Reefers A/S	Denmark	100

Lauritzen Ship Owner A/S	Denmark	100
Lauritzen Tankers A/S	Denmark	100
Lauritzen Tankers Ship Owner A/S	Denmark	100
LB Ship Owner A/S	Denmark	100
LK Ship Owner A/S	Denmark	100
LT Ship Owner A/S	Denmark	100
Quantum Tankers A/S ***	Denmark	50
Shipinvest A/S	Denmark	100
Zuper Logistics Private Limited **	India	33
J. Lauritzen (Japan) K.K.	Japan	100
Star Management Associates **	Japan	30
Good Hope Overseas Management Inc. **	Panama	25
Dan Swift Netherland B.V.	The Netherlands	100
Dan Swift (Singapore) Pte. Ltd.		
	Singapore	100
Handyventure Singapore Pte. Ltd. *	Singapore	50
J. Lauritzen Singapore Pte. Ltd.	Singapore	100
Lauritzen Offshore Services Singapore Pte. Ltd.	Singapore	100
Lauritzen Shuttletankers Singapore Pte. Ltd.	Singapore	100
LBS Shipowner Pte. Ltd.	Singapore	100
LKT Gas Carriers Pte. Ltd. *	Singapore	50
Milau Pte. Ltd. *	Singapore	50
Gasnaval S.A.	Spain	100
J. Lauritzen UK Limited	UK	100
J. Lauritzen (USA) Inc.	USA	100

\* Joint venture

\*\* Associated company

\*\*\* Treated as subsidiary as JL has more than 50% of the voting rights

## **6 TREND INFORMATION**

The issuer has not experienced any significant changes or trends outside the ordinary course of business that are significant to the Issuer after 31 December 2009 and to the date of this Prospectus.

## 7 BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

### 7.1 Board of Directors

The Issuer's Board of Directors are as follows:

Name	Position	Business address
Bent Østgaard	Chairman	LF Investment & Lauritzen Fonden, Sankt Annæ Plads 28, DK-1291 København K, Denmark
Ingar Skaug	Vice chairman	Wilh. Wilhelmsens ASA, P. O. Box 33, N-1324 Lysaker, Norway
Peter Poul Lauritzen Bay	Board member	Carlsberg A/S, Ny Carlsberg Vej 100, DK-1760 København V, Denmark
Niels T. Heering	Board member	Gorrissen Federspiel & Kierkegaard, H. C. Andersens Boulevard 12, DK-1553 København V, Denmark
Vagn Rosenkilde	Board member	Fjordvej 12, DK-6320 Egersund, Denmark
Søren Berg	Board member (employee representative)	Lauritzen Kosan A/S, Sankt Annæ Plads 28, DK-1291 København K, Denmark
Ulrik Danstrøm	Board member (employee representative)	Lauritzen Bulkens A/S, Sankt Annæ Plads 28, DK-1291 København K, Denmark
Per Gommesen	Board member (employee representative)	Lauritzen Tankers A/S, Sankt Annæ Plads 28, DK-1291 København K, Denmark

Bent Østergaard (born 1944) – Chairman and member of the board since 2003. Mr. Østergaard is President of LF Investment ApS. Chairman of the board of DFDS A/S, NanoNord A/S and Invest Brazil A/S.

Ingar Skaug (born 1946) – Vice chairman and member of the board since 1998. Mr. Skaug is Group CEO of Wilh. Wilhelsen ASA. Member of the board of DFDS A/S.

Peter Poul Lauritzen Bay (born 1974) – Board member since 2003. Mr. Bay is Lean Director at Carlsberg Breweries A/S and descendant of the founder of the Lauritzen Group.

Niels T. Heering (born 1955) – Board member since 2001. Mr. Heering is Chairman of the Board and partner of Gorrissen Federspiel. Chairman of the board of Jeudan A/S and EQT Partners.

Vagn Rosenkilde (born 1942) – Board member since 1997. Mr. Rosenkilde is managing director. Chairman of the board of Bramming Plast Industry A/S, Enkotec A/S, Norisol A/S and Skako Industries A/S.

Søren Berg (born 1957) – Board member since 2005 (employee representative). Mr. Berg is Project Manager, Lauritzen Kosan A/S.

Ulrik Danstrøm (born 1955) – Board member since 2009 (employee representative). Mr. Danstrøm is Vice President, Lauritzen Bulkens.

Per Gommesen (born 1957) – Board member since 2009 (employee representative). Mr. Gommesen is Captain, Lauritzen Offshore Services.

### 7.2 Executive Management

The Issuer's executive management comprises the following:

<b>Name</b>	<b>Position</b>	<b>Business address</b>
Torben Janholt	President & CEO	J. Lauritzen A/S, 28, Sankt Annae Plads, PO Box 2147, DK-1291 Copenhagen K, Denmark
Birgit Aagaard-Svendsen	EVP & CFO	J. Lauritzen A/S, 28, Sankt Annae Plads, PO Box 2147, DK-1291 Copenhagen K, Denmark
Jan Kastrup-Nielsen	EVP*	J. Lauritzen A/S, 28, Sankt Annae Plads, PO Box 2147, DK-1291 Copenhagen K, Denmark
Ejner Bonderup	President	Lauritzen Bulkens A/S, 28, Sankt Annae Plads, PO Box 2147, DK-1291 Copenhagen K, Denmark
Anders Mortensen	President	Lauritzen Offshore Services A/S, 28, Sankt Annae Plads, PO Box 2147, DK-1291 Copenhagen K, Denmark

\* Mr. Kastrup-Nielsen also serves as President of Lauritzen Kosan and Lauritzen Tankers

### **7.3 Internal control**

The Issuer's financial management comprises long-term financial projections and annual budgets followed up by quarterly and monthly reporting. Internal quarterly reports include profit forecasts for the full year. Annual profit forecasts are also drawn up twice a year for following years.

Effective, credible reporting requires well-defined levels of authorisation, segregation of duties and transparent reporting structures. The Issuer's IT systems promote the requisite knowledge-sharing and transparency.

Statutory reporting and internal management reporting are based on common policies, common databases and a common reporting system. These reporting policies apply to the entire group of the Issuer, its business units, JL as parent company as well as subsidiaries.

Executive Management of the Issuer routinely defines and controls policies and procedures to support its business, risk management and reporting and to benchmark these against generally accepted international practice.

An anti-fraud policy has operated since 2006 and this was updated in late 2009 to include guidelines on whistleblower reporting and protection.

### **7.4 Conflict of interests**

There are no potential conflicts of interests between any duties to the Issuer of the persons referred to in Sections 7.1 and 7.2 and their private interests or other duties.

## **8 OWNERSHIP OF THE ISSUER**

The Issuer is wholly owned by Lauritzen Fonden (the Lauritzen Foundation). Lauritzen Fonden is a commercial foundation and as such is a self-governing institution under Danish law. It is governed by the Danish Foundation Act, and the Danish Ministry of Justice as well as the Danish Ministry of Economic and Business Affairs oversee the Foundation.

According to the Foundation's charter, one major aim of Lauritzen Fonden is to improve Denmark's reputation by promoting and developing the Danish Shipping industry.

Lauritzen Fonden's charter also lays down how it should exercise its role as owner of its affiliated companies and its core policies are to:

- Operate a prudent dividend policy, taking account of the continued existence and development of the affiliated enterprises.
- Pay special attention to its shipping business.
- Ensure the independence of affiliated enterprises from the Foundation.
- Take an open-minded approach towards capital increases in affiliated enterprises.

## 9 FINANCIAL INFORMATION

### 9.1 Capitalization, liquidity and capital resources

The general guidelines regarding capital management, approved by the Issuer's Board of Directors, include requirements for the level of equity for the Issuer defined by minimum solvency ratio (35-40%) figures, predefined minimum liquidity (USD 50-200m) and the requirement for external funding to be drawn on or post delivery of vessels.

Being wholly-owned by Lauritzen Fonden, the Issuer pursues a prudent dividend policy that supports its ability to grow its business organically. During periods of tight financial markets, as in 2008-09, dividends are suspended. Otherwise, the Issuer normally pays dividends of up to 25% of its share of profits.

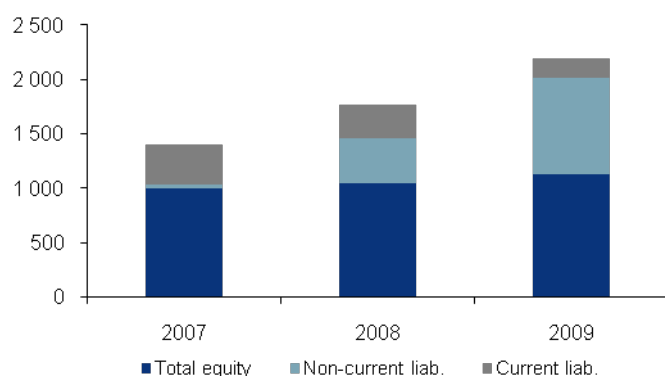
The Issuer is strongly solvent. At year-end 2009, solvency was 52% down from the 59% reported at year-end 2008 due to the increase of owned vessels.

Managing capital requirements is an integral part of the Issuer's long-term financial planning and is included in the Issuer's reporting system.

At year-end 2009, the financing for the Issuer's investment program with deliveries stretching far into 2011 was in place. The average tenor of current commitments is 6.2 years. For further details please refer to the Note 21 of the 2009 Annual Report of the issuer included in Appendix 2.

The Issuer's capital structure appears in the below graph.

*Capital Structure 2007-09 USDm*



Long-term debt is placed under J. Lauritzen A/S and J. Lauritzen Singapore Pte. Ltd. Close to 100% of the long-term debt is secured by mortgage in own vessels.

The Issuer's cash and cash equivalents as per 31 December 2009 equalled USD 172 million. Taking undrawn committed credit facilities into consideration, the Issuer's financial resources were approximately USD 453 million at the end of 2009.

### 9.2 Historical financial information

#### 9.2.1 Accounting Policy

The consolidated financial statements of the Issuer have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class C large enterprises. In addition, the financial statements have been prepared in compliance with the International Financial Reporting Standards issued by the IASB.

#### 9.2.2 Basis of preparation

The financial statements are presented in US dollars, rounded to the nearest thousand. They are prepared under the historical cost convention, except that the following assets and liabilities are stated at their fair value:

- Derivative financial instruments
- Investments held for trading
- Investments available for sale

The accounting policies set out in the Annual Report for 2009 attached in Appendix 3 hereto have been applied consistently by all of the Issuer's entities and to all periods presented in the consolidated financial statements.

### **9.2.3 Basis of consolidation**

The financial statements comprise the Issuer and subsidiaries in which the Issuer has directly or indirectly the power to govern the financial and operating policies. This is normally accomplished by holding more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Issuer has control or significant influence over another entity. Enterprises in which the Issuer has a significant influence, but not control are classified as associates. Joint ventures are recognised in the consolidated financial statements, and in the financial statements of the Issuer using the equity method. The consolidated financial statements are prepared on the basis of the financial statements of the Issuer and its subsidiaries, by combining items of a uniform nature and eliminating inter-company transactions and balances, and are based on financial statements prepared in compliance with the Issuer's accounting policies. Acquisitions, disposals and entities formed during the year are included in the financial statements during the period of the Issuer's control or significant influence. Comparative figures are not adjusted for acquisitions. Disposals or liquidations are presented as discontinued operations.

On acquisition of businesses, the purchase method is applied, according to which the identifiable assets, liabilities and contingent liabilities acquired are measured at their fair values on the date of acquisition. The excess of the cost of acquisition over the fair value of the Issuer's share of the identifiable assets, liabilities and contingent liabilities acquired are recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the business acquired (negative goodwill), the difference is recognised directly in the income statement.

Gains or losses from the disposal or liquidation of subsidiaries or associates are stated as the difference between the proceeds from disposal or liquidation and the book value of the net assets at the date of disposal or liquidation. This includes any goodwill as well as any anticipated disposal or liquidation costs.

### **9.2.4 Statement on audited historical financial information**

The historical financial information of the Issuer, comprising annual financial statements for the financial years ended 31 December 2007, 2008 and 2009, respectively, have been audited. The auditor responsible for the audit of these historical financial statements is KPMG (see Section 11.4).

### **9.2.5 Key financial information**

The tables below presents selected historical financial data as of the years ended 31 December 2007, 2008 and 2009, which have been derived from the Issuer's audited consolidated financial statements as of and for the years ended 31 December 2007, 2008 and 2009. The selected historical financial data presented below should be read in conjunction with the Issuer's annual reports for 2007, 2008 and 2009 included in Annex 3.

## Consolidated income statement

USD '000	2009	2008	2007
<b>Income</b>			
Revenue	482,891	665,764	657,391
Other operating income	20,363	19,432	16,946
	<u>503,255</u>	<u>685,196</u>	<u>674,338</u>
Hire of chartered vessels	(170,208)	(322,234)	(228,631)
Operating costs of vessels	(54,682)	(58,114)	(56,234)
Other operating costs	(55,264)	(46,496)	(37,111)
Staff costs, office and fleet	(67,985)	(76,379)	(70,945)
Other sales and administrative costs	(20,197)	(23,078)	(18,967)
	<u>(368,337)</u>	<u>(526,301)</u>	<u>(411,888)</u>
<b>Result before depreciation (EBITDA)</b>	<b>134,918</b>	<b>158,895</b>	<b>262,450</b>
Profit and loss on sale of vessels	16,670	146,489	79,092
Profit and loss on sale of other assets	397	7,325	(2,472)
Depreciations and write-downs	(76,428)	(142,563)	(34,172)
	<u>75,557</u>	<u>170,146</u>	<u>304,898</u>
<b>Operating income</b>	<b>75,557</b>	<b>170,146</b>	<b>304,898</b>
Net result in Joint ventures	16,954	27,261	24,362
Financial income	11,878	19,700	46,430
Financial expenses	(28,389)	(57,772)	(23,720)
	<u>76,000</u>	<u>159,335</u>	<u>351,971</u>
<b>Result before tax</b>	<b>76,000</b>	<b>159,335</b>	<b>351,971</b>
Income tax	3,633	(4,603)	(4,919)
	<u>79,633</u>	<u>154,732</u>	<u>347,053</u>
<b>Result for the year</b>	<b>79,633</b>	<b>154,732</b>	<b>347,053</b>
<b>Attributable to:</b>			
The J. Lauritzen Group	74,616	149,468	341,474
Minority shareholders' share of result in subsidiaries	5,017	5,264	5,579
	<u>79,633</u>	<u>154,732</u>	<u>347,053</u>

## Consolidated balance sheet

USD '000	2009	2008	2007
<b>ASSETS</b>			
<b>Non current assets</b>			
<b>Intangible assets</b>			
Goodwill	0	1,735	1,735
	0	1,735	1,735
<b>Vessels, property and equipment</b>			
Vessels	1,037,704	572,429	486,238
Land and buildings	2,934	3,009	1,501
Machinery, tools and equipment	15,896	11,160	6,960
Vessels under construction	444,876	658,542	495,886
	1,501,410	1,245,139	990,585
<b>Financial assets</b>			
Investments in subsidiaries	-	-	-
Investments in Joint ventures	121,321	118,298	64,850
Deferred tax assets	3,580	3,940	2,394
Shares available for sale	3,530	3,411	3,570
Receivables from Joint ventures	25,098	-	-
Other receivables	15,960	26,959	38,332
	169,488	152,608	109,146
<b>Total non current assets</b>	<b>1,670,899</b>	<b>1,399,482</b>	<b>1,101,466</b>
<b>Current assets</b>			
Bunkers	1,911	1,612	1,960
<b>Receivables</b>			
Trade receivables	10,249	16,811	37,869
Other receivables	64,448	115,467	60,163
Receivables from affiliated companies	-	-	-
Receivables from Joint ventures	60	5,921	1
Prepayments	49,015	9,751	7,960
	123,771	147,950	105,993
Securities	13,103	35,192	107,732
Cash and bank deposits	205,011	144,370	87,721
	343,795	329,124	303,406
Assets held for sale	173,709	39,049	-
<b>Total current assets</b>	<b>517,505</b>	<b>368,172</b>	<b>303,406</b>
<b>Total assets</b>	<b>2,188,403</b>	<b>1,767,654</b>	<b>1,404,872</b>

USD '000	2009	2008	2007
<b>LIABILITIES</b>			
<b>Equity</b>			
Share capital	60,633	60,633	60,633
Reserve for hedging instruments	(3,164)	(10,675)	-
Reserve for exchange rate adjustments	(2,413)	(2,556)	-
Other reserves	1,070,571	995,954	845,218
Proposed dividend	-	-	85,368
JL's share of equity	1,125,626	1,043,357	991,220
Minority shareholders' share of equity	4,873	4,356	4,742
<b>Total Equity</b>	<b>1,130,499</b>	<b>1,047,713</b>	<b>995,962</b>
<b>Non current liabilities</b>			
Deferred tax	-	-	39
Provisions	3,517	31,442	12,091
Interest bearing debt	882,612	381,702	31,011
<b>Total non current liabilities</b>	<b>886,129</b>	<b>413,144</b>	<b>43,141</b>
<b>Current liabilities</b>			
Interest bearing debt	53,809	23,794	9,990
Bank debt	-	-	296,689
Trade payables	22,480	14,757	9,217
Other payables	72,836	184,867	39,509
Provisions	13,139	75,327	8,204
Prepayments	3,272	2,114	1,501
Debt to parent company	-	1	110
Debt to affiliated companies	-	-	-
Corporate tax	6,239	5,937	549
<b>Total current liabilities</b>	<b>171,775</b>	<b>306,798</b>	<b>365,769</b>
<b>Total liabilities</b>	<b>1,057,903</b>	<b>719,942</b>	<b>408,910</b>
<b>Total equity and liabilities</b>	<b>2,188,403</b>	<b>1,767,654</b>	<b>1,404,872</b>

## Consolidated cash flow statement

USD '000	2009	2008	2007
Result of operating income	75,557	170,146	304,898
Depreciation carried back	76,428	142,563	34,172
Adjustments	(79,978)	(117,024)	(87,159)
Change in working capital	(79,272)	109,794	(53,803)
Cash flow from operations before financial items	(7,265)	305,479	198,108
Ingoing financial payments	6,673	19,700	18,800
Outgoing financial payments	(27,656)	(24,571)	(23,720)
Cash flow from ordinary operations	(28,247)	300,608	193,188
Paid corporate tax	4,133	(708)	(2,546)
<b>Cash flow from operating activities</b>	<b>(24,114)</b>	<b>299,900</b>	<b>190,641</b>
Purchase of vessels	(431,975)	(237,686)	(156,890)
Payments on vessels under construction	(102,069)	(469,459)	(385,391)
Purchase of land and buildings	-	(1,612)	-
Purchase of machinery and equipment	(6,694)	(5,599)	(2,457)
Purchase of Joint ventures	(4,556)	(36,596)	(21,642)
Disposal of Joint ventures	-	-	19,952
Sale of vessels	91,636	423,557	206,868
Sale of other non current assets	481	307	136
Sale of shares	-	7,232	4,773
Increase of share capital in subsidiaries	-	-	-
Purchase and sales of securities	26,819	61,878	20,521
Cash and cash equivalents pledged as security for debt	(32,950)	-	-
Dividend received from subsidiaries	-	-	-
Dividend received from Joint ventures	4,288	20,666	7,338
<b>Cash flow from investment activities</b>	<b>(455,021)</b>	<b>(237,311)</b>	<b>(306,793)</b>
Financial receivables	(14,098)	11,373	1,919
Instalment on long-term debt	(189,681)	(17,982)	(9,224)
Proceeds from loans	711,688	382,477	1,146
Dividend paid	-	(85,368)	(31,096)
<b>Cash flow from financing activities</b>	<b>507,909</b>	<b>290,499</b>	<b>(37,255)</b>
Changes for the year in cash and cash equivalents	28,774	353,089	(153,407)
Cash and cash equivalents at beginning of year	144,370	(208,968)	(55,742)
Currency adjustments on cash and cash equivalents	(1,083)	249	181
<b>Cash and cash equivalents at the end of the year</b>	<b>172,061</b>	<b>144,370</b>	<b>(208,968)</b>
Undrawn committed credit facilities at end of year*)	281,400	213,367	46
<b>Financial resources at the end of the year</b>	<b>453,461</b>	<b>357,737</b>	<b>(208,922)</b>

### **9.3 Legal and arbitration proceedings**

The Issuer is not involved in any governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant adverse effects on the Issuer and/or the Issuer's financial position or profitability. The Issuer is not aware that any such proceedings are pending or threatened, nor has the Issuer been involved in any such proceeding during the last 12 months.

### **9.4 Significant change in the Issuer's financial or trading position**

There have been no significant changes in the Group's financial or trading position since 31 December 2009.

## **10 MATERIAL CONTRACTS**

### **10.1 Material contracts**

The Issuer has not entered into any material contract outside the ordinary course of the Issuer's business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to bondholders in respect of the Bonds.

### **10.2 Related Party Transactions**

The Issuer rents its headquarters from a sister company, LF Investment ApS. The annual rent paid under the rental agreement is approximately USD 2m (DKK 11m).

## **11 ADDITIONAL INFORMATION**

### **11.1 Third party information**

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **11.2 Documents on Display**

The following documents (or copies thereof) may be inspected for the life of the Prospectus at the headquarters of the Issuer at 28, Sankt Annae Plads, Copenhagen, Denmark:

- (a) the governing articles of association of the Issuer;
- (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in the Prospectus;
- (c) the historical financial information of the Issuer and its subsidiary undertakings for each of the three financial years preceding the publication of the Prospectus.

### **11.3 Interest of natural and legal persons involved in the Bond Issue**

The Issuer sees no material conflicting interests between the parties involved in the Bond Issue.

### **11.4 Statutory auditors**

The Issuer's auditor for the financial years 2007, 2008 and 2009 has been KPMG Statsautoriseret Revisionspartnerselskab, Borups Allé 177, P.O. Box 250, DK-2000 Frederiksberg, Denmark.

For 2009 KPMG Statsautoriseret Revisionspartnerselskab was represented by the State Authorized Public Accountants Kurt Gimsing and Henrik Kronborg Iversen.

For 2007 and 2008 KPMG Statsautoriseret Revisionspartnerselskab was represented by the State Authorized Public Accountants Kurt Gimsing and Lars Andersen.

The auditors are members of the Institute of State Authorized Public Accountants in Denmark (Foreningen af Statsautoriserede Revisorer).

### **11.5 Advisors**

Nordea Bank Danmark and BNP Paribas have acted as financial advisors to the Company in connection with the Bond Issue. Advokatfirmaet Thommessen AS has acted as legal advisor to the Managers with respect to Norwegian law, Wiersholm Mellbye & Bech Advokatfirma AS has acted as legal advisor to the Issuer with respect to Norwegian law, and Eskil Nielsen Advokatfirma has acted as legal advisor to the Issuer with respect to Danish law.

### **11.6 Expenses**

The Issuer estimates the expenses associated with the listing of the Bonds to be less than NOK 100,000, of which listing fees to Oslo Børs for 2010 will be NOK 26,250 and the prospectus fee for inspection and approval of the Prospectus will be NOK 50,000.

## 12 DEFINITIONS AND GLOSSARY OF TERMS

### 12.1 Definitions

Board of Directors <i>or</i> Board:	The Board of Directors of the Issuer
Bondholders:	Any holders of Bonds from time to time
Bond Issue:	10.50 per cent J. Lauritzen A/S Senior Unsecured Bond Issue 2010/ 2015
Bonds:	The total amount of outstanding bonds issued pursuant to the Bond Agreement.
Clearstream, Luxembourg	Clearstream Banking, société anonyme
DKK:	Danish Kroner, the legal currency of the Kingdom of Denmark
Euroclear:	Euroclear Bank S.A./N.V.
IFRS:	International Financial Reporting Standards
Issuer:	J. Lauritzen A/S or J. Lauritzen A/S and its consolidated subsidiaries
Managers:	Nordea Bank Danmark and BNP Paribas
NOK:	Norwegian Kroner, the legal currency of the Kingdom of Norway
Oslo Børs:	Oslo Børs ASA
Trustee:	Norsk Tillitsmann ASA
USD:	United States Dollars, the legal currency of the United States of America
VPS:	Verdipapirsentralen (the Norwegian Central Securities Depository)

### 12.2 Glossary

ASV:	Accommodation and support vessel
Charterer:	The customers to the Group's operations
BAF:	Bunker Adjustment Factor
cbm	Cubic metre
CoA:	Contract of Affreightment – an agreement with a customer to transport a quantity of cargo during a period of time between one or more loading and discharge ports
Dwt:	Deadweight ton
FFA	Forward Freight Agreements
HSE:	Health, Safety and Environment
MEG:	Middle East Gulf