

MT "HLL Ashley Sea"

Type of ship:

**Crude oil/
oil product tanker**

Deadweight tonnage:

73,400 tdw

Length overall:

228.60 m

Moulded beam:

32.25 m

Draught:

14.30 m

Loading capacity:

85,300 cbm (100 %)

Speed:

14.5 kn

Shipbuilding yard:

**New Century
Shipbuilding Co. Ltd.,
Jingjiang/China**

In service since:

June 2007



The charters

Until mid-April 2010, MT "HLL Ashley Sea" was chartered out to Heidmar LLC, Marshall Islands, and was indirectly employed in the "Star Tankers Pool". Since mid-April 2010 the tanker has been directly chartered out to the "Star Tankers Pool" (name of the company Star Tankers Inc., Marshall Islands) for a period of four years. In 2010 MT "HLL Ashley Sea" achieved an average charter rate of some USD 14,700 p.d. including profit-sharing. The average rate is influenced by deductions of the pool in an amount of approx. USD 0.5 million due to missing approvals as well as the failure of the tanker to be technically operative for a period of 33 days from 30th October until 2nd December 2010. In the first four months of the year 2011, MT "HLL Ashley Sea" earned an average pool charter rate of some USD 11,600 p.d. in the "Star Tankers Pool". At the beginning of April 2011, MT "HLL Ashley Sea" regained the necessary number of four approvals; up to this time the pool had still effected deductions totalling approx. USD 0.7 million. Our calculations for 2011 are based on the assumption that MT "HLL Ashley Sea" will be able to achieve a charter rate of around USD 15,200 p.d. on average over the year (incl. the charter deductions up to the beginning of April).

Up to and including May 2010, W-O Shipping GmbH & Co. KG, Haren (Ems), was the sole authorised ship operator. With effect from 1st June 2010, the authorised ship operator activities were divided up between Shipcare Management GmbH & Co. KG, Haren (Ems), (technical ship operation) and Hanseatic Lloyd Schiffahrt GmbH & Co. KG, Bremen, (commercial ship operation/investor support). Operation of the ship in 2010 was largely without problems until the beginning of October 2010 with 1.1 non-operating days ("off-hire"). In mid-September 2010, the oil major BP issued no approval for the transporting of cargo, which led to other oil majors also withdrawing their approvals. MT "HLL Ashley Sea" had to accept the maximum charter deduction of almost 50 % of the average pool charter rate. On 11th November 2010, Hanseatic Lloyd Schiffahrt GmbH & Co. KG also took over the technical operation of the ship.

Economic situation

The operating result for 2010 amounts to EUR -0.3 million and is thus EUR 3.7 million less than the prospectus forecast. At EUR 3.2 million, the charter revenues are EUR 3.1 million lower than the figure stated in the prospectus. This decline is mainly due to the market situation, however the above-mentioned pool deductions additionally reduced the revenues. Furthermore, the depreciation of the US Dollar (average exchange rate of EUR/USD 1.32 as against the EUR/USD 1.26 assumed in the prospectus) had a negative effect. The ship operating costs (OPEX) at EUR 2.4 million are EUR 0.9 million higher than the prospectus figure. Within the framework of the changeover in the technical management, costs of approx. EUR 290 thousand were incurred for repairs, maintenance and the take-over in a narrower sense. In the business year 2010, it was not possible to make scheduled loan redemption payments because of the weak revenues situation. The redemption arrears amount to USD 1.1 million.

Prospects

For the business year 2011 we expect to see an operating result of some EUR 0.6 million (at an average exchange rate of EUR/USD 1.39 instead of 1.26 as had been assumed in the prospectus). Charter revenues at EUR 3.7 million are estimated at some EUR 2.6 million lower than the prospectus figure. The ship operating costs at EUR 2.0 million are expected to be some EUR 0.4 million higher than presumed in the prospectus. The banking consortium already agreed in the prior year to the deferred payment of a total of three loan redemption instalments in 2010. Scheduled loan redemption payments were made in the fourth quarter of 2010. In view of the weak revenues situation, in October 2010 an application was made for the deferral of four further loan redemption instalments for the whole of the year 2011 and this was approved in writing in May 2011. The redemption arrears at the end of 2011 will amount to some USD 3.4 million.

Financing and investment in thousand EUR:

	prospectus	actual
Limited partnership capital (nominal)	17,800	18,300
Premium	890	915
Borrowed capital ¹⁾	26,482	25,311

Operation as of 31.12.2010 accumulated:

	prospectus	actual
Operating days	1,278	1,260
Net charter revenues in thousand EUR	21,294	17,115
Operating results in thousand EUR	10,404	4,792
Dividends in thousand EUR	4,272	1,951

Loan level as of 31.12.2010:

	redemption schedule	actual
Ship mortgage loans in thousand USD	19,947.0	20,624.6
Ship mortgage loans in thousand JPY	752,113.8	800,113.8
Ship mortgage loans in thousand CHF	0.0	0.0
Total in thousand USD ¹⁾	26,618.8	27,722.2

Tax results 2010 in % accumulated:

	prospectus	actual
Tax results	0.9	0.9

Capital commitment/reflux in % as of 31.12.2010:

	prospectus	actual
Paid in	105.0	105.0
Tax repayments from offsettable tax-deductible losses	0.0	0.0
Tax payments on taxable profits	0.4	0.4
Dividends	24.0	10.0
Capital commitment	81.4	95.4
Capital reflux	23.6	9.6

Actual investment (incl. premium)

9.6 %	95.4 %
Capital reflux	Capital commitment

¹⁾ Valued at the purchase exchange rate at the value date