

## MT "HLL Sharon 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:

**December 2006**



### The charters

Since October 2009, MT "HLL Sharon Sea" 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 Sharon Sea" earned an average charter rate of some USD 11,800 p.d. 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 twelve days in December 2010. In the first four months of the year 2011, MT "HLL Sharon Sea" achieved an average pool charter rate of some USD 8,800 p.d. in the "Star Tankers Pool". From May 2011, the minimum requirement of four approvals will be fulfilled again for the first time, i.e. no more charter deductions will be effected. Our calculations for 2011 are based on the assumption that MT "HLL Sharon Sea" will be able to achieve a charter rate of around USD 14,200 p.d. on average over the year (incl. the charter deductions up to the end 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 1.2 non-operating days ("off-hire"). At the beginning of October 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 Sharon Sea" had to accept the maximum charter deduction of almost 50 % of the average pool charter rate. On 20th December 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 -0.8 million and is thus EUR 4.4 million lower than the prospectus figure. At EUR 2.9 million, the charter revenues are EUR 3.7 million lower than 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 2.6 million are EUR 1.0 million higher than the prospectus forecast. These include repair costs of EUR 160 thousand for an auxiliary diesel. Within the framework of the changeover in the technical management, costs of approx. EUR 250 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 loan redemption payments because of the weak revenues situation. The redemption arrears amount to USD 2.3 million.

## Prospects

For the business year 2011 we expect to see an operating result of some EUR -0.5 million (at an average exchange rate of EUR/USD 1.39 instead of 1.20 as had been assumed in the prospectus). Charter revenues at EUR 3.3 million are calculated at some EUR 3.3 million lower than the prospectus figure. The ship operating costs at EUR 2.7 million are expected to be some EUR 1.1 million higher than anticipated in the prospectus. The banking consortium already agreed in the prior year to deferred payment of a total of three loan redemption instalments in 2010. In view of the weak revenues situation, in October 2010 an application was made for the deferral of five further loan redemption instalments until the end of 2011 and this was approved in writing in May 2011. The redemption arrears at the end of 2011 will amount to some USD 4.0 million.

### Financing and investment in thousand EUR:

	prospectus	actual
Limited partnership capital (nominal)	19,000	19,355
Premium	950	968
Borrowed capital <sup>1)</sup>	28,415	25,874

### Operation as of 31.12.2010 accumulated:

	prospectus	actual
Operating days	1,428	1,463
Net charter revenues in thousand EUR	25,105	19,518
Operating results in thousand EUR	12,522	5,656
Dividends in thousand EUR	5,510	3,121

### Loan level as of 31.12.2010:

	redemption schedule	actual
Ship mortgage loans in thousand USD	19,437.3	21,140.7
Ship mortgage loans in thousand JPY	686,098.8	748,470.8
Ship mortgage loans in thousand CHF	0.0	0.0
Total in thousand USD <sup>1)</sup>	25,683.0	27,954.2

### Tax results 2010 in % accumulated:

	prospectus	actual
Tax results	1.0	1.0

### 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	0.5
Dividends	29.0	16.0
Capital commitment	76.4	89.5
Capital reflux	28.6	15.5

Actual investment (incl. premium)

15.5 %	89.5 %
Capital reflux	Capital commitment

<sup>1)</sup> Valued at the purchase exchange rate at the value date