

Annual Report and
Consolidated Financial Statements 2012



GOLDEN OCEAN™

2012





Contents

6	Director's report 2011
13	Consolidated Comprehensive Income Statement for the year ended December 31, 2012
14	Consolidated Balance Sheet as at December 31, 2012
15	Consolidated Cash Flow Statement for the year ended December 31, 2012
16	Consolidated Statement of Changes in Equity for the year ended December 31, 2012
17	Notes to Consolidated Financial Statements
51	Independent auditor's report 2012
52	Responsibility Statement from the Board of Directors and President/CEO
53	Corporate Governance
58	Vessel Class Information
60	Links



Overview

Golden Ocean Group Ltd. (GOGL) is a leading international dry bulk shipping company based in Bermuda, mainly operating in the Capesize and Panamax dry bulk market segments. The Golden Ocean Group fleet is managed by the fully owned subsidiary Golden Ocean Group Management (Bermuda) Ltd, who in turn has sub-contracted services to Golden Ocean Management AS, in Oslo, Norway, and Golden Ocean Management Asia Pte Ltd, in Singapore.

Our mission is to provide customers with flexible and reliable transportation services and develop strong industry relations with our partners and customers around the world.

Golden Ocean Group is operating with a fully integrated commercial management structure responsible for all vessels and contracts. Technical operations and crewing of all owned vessels is outsourced to a few leading international ship management companies.

Golden Ocean seek to optimize its investment and divestment decisions to secure the best possible return to the shareholders. To balance risk Golden Ocean might seek charter coverage in the physical and financial markets. The growth of the Company is achieved by e.g. acquiring additional tonnage through individual purchases, en bloc purchases, as well as small or large corporate transactions. Our growth may also be achieved by entering into major short or long term contracts, and chartering of vessels.

Golden Ocean is positioning itself as an attractive investment opportunity for public investors. The major building blocks are transparency, good corporate governance, experienced management team, cost effective operations, attractive long term equity return and shareholder friendly information philosophy. Through attractively priced equity, Golden Ocean is well positioned for future growth and prosper - acting as a consolidator in a highly fragmented market.

Golden Ocean Group Ltd. (GOGL) is dual listed on Oslo Stock Exchange (OSE) and Singapore Exchange (SGX). Total outstanding shares are 447 261 796 with Hemen Holding as the largest shareholder (41%). Golden Ocean has a rewarding and generous dividend history and is reporting dividend on a quarterly basis. The Golden Ocean Group Ltd. stock is covered by all the major Norwegian financial analysts.



DIRECTORS' REPORT FOR GOLDEN OCEAN GROUP LIMITED FOR THE YEAR ENDED DECEMBER 31, 2012

INTRODUCTION

Golden Ocean Group Limited ("Golden Ocean", "Group" or the "Company") is a leading international dry bulk shipping company based in Bermuda, mainly operating in the Capesize and Panamax market segments. The Golden Ocean Group fleet is managed by the fully owned subsidiary Golden Ocean Group Management (Bermuda) Ltd, who in turn has subcontracted services to Golden Ocean Management AS, based in Oslo, Norway, and Golden Ocean Management Asia Pte Ltd, based in Singapore.

Golden Ocean was established in 2004, and its shares were admitted to trading on the Oslo Stock Exchange in the same year. The Company obtained a secondary listing on the Singapore Stock Exchange in March 2010.

Starting off with a fleet of three vessels and options to acquire two newbuilding orders, the Company has had a substantial growth in fleet size and business activity. Expansion has taken place both through purchases of second hand tonnage and newbuildings, as well as through time charter and bareboat agreements.

The Company owns or controls 21 vessels and has at the same time eight vessels (including two option vessels) under construction, as per year end 2012. In addition, the Company has several chartered-in vessels both on short term and longer term duration. The Company has enjoyed substantial time charter contract coverage for 2012 and also has a high coverage through 2013. The Company has in the fourth quarter of 2012 cancelled four newbuilding contracts due to delay and is in the process of claiming refund of installments paid to the yard.

MISSION STATEMENT AND STRATEGY

Our mission is to provide customers with flexible and reliable transportation services and develop strong industry relations with partners and customers, leading to superior returns to the Company's shareholders.

Golden Ocean is operating with a fully integrated commercial management structure responsible for all vessels and contracts. Technical operations and crewing of all owned vessels is outsourced to a few leading ship management companies. The Company is focusing on the Panamax and Capesize market. Golden Ocean Group is targeting low overhead and daily ship operating costs.

Golden Ocean seeks to optimize its investment and divestment decisions, and the short and long chartering positions, as a function of the cyclical nature of the business. In order to optimize the return to equity holders, the Company is seeking financing which includes an attractive combination of debt and equity. Golden Ocean is, in connection with ownership of vessels, focusing on the overall cash break-even rates needed to support the specific project as well as the Company.

To balance the operational risk Golden Ocean might seek charter coverage in the physical and financial markets. The growth of the Company can be achieved by acquiring additional tonnage through individual purchases, en bloc purchases, as well as small or large corporate transactions. The growth can also be achieved through entering into major short or long term contracts for transportation of goods and chartering of vessels.

Golden Ocean is positioning itself as an attractive investment vehicle for public investors. The major building blocks are transparency, good corporate governance, strong management team, competitive cost base, active business dealing, and attractive long term equity return and shareholder friendly information philosophy. Efficiently priced equity is a major condition for the growth of the Company. Through an attractively priced equity, Golden Ocean can act as a consolidator in a highly fragmented market.



MARKET DEVELOPMENT

The global economy was under pressure during 2012 and the International Monetary Fund again lowered its forecast for future growth in the world economies. In particular the Eurozone is struggling with high unemployment and negative growth in some of the worst hit countries. The United States has shown certain signs of recovery and also China released encouraging economic data at the end of 2012.

Dry bulk transportation increased by around 7 percent in 2012, however, due to the high number of new vessels entering the market, fleet utilization decreased. Given a net fleet growth of approximately 11 percent, the estimated utilization of the dry bulk fleet was on average 83 percent in 2012. Consequently spot earnings were low. The Capesize and Panamax segments both earned on average approximately \$7,650 per day according to The Baltic Exchange. The weak spot market and long term time charter market resulted in lower asset values throughout the year. By the end of the year a five year old Capesize was valued at approximately \$30 million while a similar aged Panamax was worth approximately \$20 million.

Around 220 Capesizes and 375 Panamaxes were delivered in 2012; still this was 30 percent lower than the official order book at the beginning of the year. At the same time approximately 90 Capesizes and 135 Panamaxes were sold for scrap. For the dry bulk fleet as a whole 35 million dwt were scrapped against 95 million dwt of deliveries.

Deliveries of new vessels will decrease sharply over the next 24 months. With the same delivery ratio we have experienced over the last three years approximately 60 million dwt should be delivered in 2013, while the order book for 2014 is 25 million dwt for the entire dry bulk sector. The low spot market presently experienced and relatively high scrap prices should encourage more scrapping. Most forecasters are expecting scrapping to remain at similar levels as last year and consequently net fleet growth could be as low as five percent during 2013.

The steel industry and energy coal for utilities are accounting for almost 70 percent of dry bulk transportation. For several years the importance of increased steel production and energy consumption in China and the increased dependence of this country for the dry bulk market have been well known. Also iron ore and coal imports showed a remarkable growth in 2012. Iron ore increased by 8 percent while coal imports increased by almost 30 percent year on year. This was in spite of a much slower growth in steel and energy consumption (2 percent and 3.4 percent respectively)

There are a few factors which make most analysts fairly optimistic for dry bulk demand growth going forward. Quality of Chinese domestic iron ore production is on a steady declining trend. Since 2007 China has invested roughly \$85 billion in iron ore mining. Over the same period investments per effective ton iron ore produced has increased from \$15 per ton in 2007 to \$60 per ton in 2012. Adjusting for falling iron content, effective iron ore production in 2012 is broadly at the same level as in 2007. Even in a modest steel growth scenario for China most forecasters believe in a continued strong growth in iron ore imports.

HIGHLIGHTS IN 2012

Although the dry bulk markets in 2012 have been at low levels not seen for decades, the Company has managed through the year with high contract coverage, a solid cash position and steady operational performance. Asset prices have dropped through the year and based on the above mentioned factors the Company has been able to comply with its minimum value covenants on the loan facilities and paid down debt. The main events for the Company in 2012 are listed below.

In January 2012, the Company announced an agreement with one charterer to reduce the hire on Channel Navigator, against an agreement that the same charterer took on Channel Alliance for the same balance period. The original charter rate for Channel Navigator was at \$51,500 net while the new charter rate for each vessels is \$30,800 net per day. The charters expire in the first quarter of 2014.

In March 2012 the Company sold its 10 percent stake in Knightsbridge Tankers Limited ("KTL"). The Company received net proceeds of \$33.8 million from the sale of the shares, in addition to quarterly dividends in the period the Company owned the shares prior to the sale.



In March 2012 Sanko Steamship Co., Ltd. (“Sanko”) announced the need for a restructuring of the its obligations. Golden Ocean had one vessel on charter to Sanko, the Golden Feng. In July the process turned into a formal rehabilitation proceeding in Japan and in August Sanko redelivered the vessel to Golden Ocean. The rehabilitation process in Japan is still ongoing. The Company has taken impairment on trade receivables of \$6.2 million in 2012 related to Sanko.

In March the Company took delivery of Golden Bull from Pipavav Defence and Offshore Engineering Company Limited (“Pipavav”). In addition, the Company in May 2012 assigned the contract for the last of the vessel in the construction series to an independent third party and received repayment of paid installments to date.

In May 2012 the Company announced a share repurchase program of up to 45 million shares. The Company bought a total of 6,238,204 shares at an average price of NOK 4.0 during the third quarter of 2012. The Company cancelled the repurchased shares in December 2012. The share repurchase program is still open until the end of June 2013.

In July 2012 the Company entered into successful renegotiations with Jinhai Heavy Industry Co., Ltd (“Jinhaiwan”) with respect to reducing the purchase price for three vessels against an extended delivery period from the yard. The yard was however not able to deliver the vessels according to the renegotiated schedule and the Company decided to exercise its rights to cancel the first two contracts in November. The third contract was cancelled in January 2013. The Company also cancelled two other newbuilding contracts with the same yard due to non-deliverance in December 2012. The yard has initiated arbitration proceedings, which are underway as of March 2013. The Company is currently engaged in these proceedings and will then subsequently request repayment from the refund guarantors. The Company expects full repayment for the installments paid as well as accrued interest.

The Convertible Bond expired in December 2012. Part of the outstanding amount was repurchased by the Company in September 2012 at 99 cent to par value, while the remaining was paid out at maturity. The Company is now financed through bank borrowings only.

At the end of the year the Company entered into an agreement with one of its charterers who chartered five vessels from the Group, where the Company received upfront payment for the difference between the existing hire and a new net hire of \$7,600 per day for 365 days per vessel. The discount was in the range of 10-12% per vessel and the total amount received was \$25 million. Part of this amount was used to prepay installments for 2013 on a loan facility.

Asset values dropped with more than 23% during 2012. The Company has made additional down payments on the loan agreements in accordance with the terms of the said agreements through the year. In total, the Company has paid down \$75.5 million from April 2012 to January 2013 based on the drop in values through the four quarters of 2012. The Company’s strong cash position has made it possible to honour the agreements without any waivers or amendments to the agreements.

Golden Ocean took delivery of one ice class Panamax vessel during 2012. The Company’s newbuilding program has been significantly delayed during 2012, which led the Company to cancel four newbuilding contracts at Jinhaiwan during 2012 and another newbuilding contract in January 2013. The Company also took delivery of Golden Brilliant from Pipavav in January 2013, and assigned the two option contracts at the yard to an independent third party. The Company is left with four newbuilding contracts for ice class Panamax vessels at Jinhaiwan as per March 2013.



FINANCIAL REVIEW

Income statement

The Company's total operating revenues for 2012 were \$229.8 million, which is \$87.3 million lower than the total operating revenues for 2011. The revenue is down due to lower average charter rate on fixed vessels and lower earnings in the spot market, even though the number of owned vessels in the fleet increased during the year. In addition the activity on short term trading was reduced. Short term trading revenue was down from \$126.7 million in 2011 to \$54.3 million for the year.

For the full year 2012 the operating profit was \$34.4 million, down from \$46.6 million in 2011. The 2012 numbers include an impairment of \$30.3 million on vessels, while the 2011 numbers included an impairment of \$38.7 million on vessels and impairment on marketable securities of \$14.1 million.

The Company's profit for the year was \$11.6 million which is equivalent to earnings per share of \$0.03. In 2011 the Company had a profit of \$14.2 million and earnings per share of \$ 0.03.

Balance sheet

As at December 31, 2012, the Company's total assets were \$1,110 million. This is \$101.7 million lower than at the start of the year. Total current assets increased by \$34.3 million whereas non-current assets decreased by \$136.0 million.

Current liabilities increased by \$28.0 million to \$127.4 million at year end. Total non-current liabilities decreased by \$138.1 million to \$444.7 million. Net interest bearing debt at year end 2012 amounted to \$405.5 million, compared to \$511.3 million in the preceding year. The Company has paid down a significant portion of debt during the year due to falling asset prices and minimum value covenants in the various loan facilities. In addition the Company has sold a newbuilding contract and also taken impairment in relation to the sailing vessels.

The Company's total equity increased from \$529.9 million to \$538.3 million during 2012. This reflects the total Comprehensive Income for the year of \$11.6 million, repurchase of treasury shares amounting to \$4.2 million and other adjustments of \$1.0 million.

Cash flow

Golden Ocean Group Limited had as of December 31, 2012 free cash and cash equivalent balance totaling \$104.4 million, which is a decrease of \$22.4 million compared to the preceding year. For the year the net cash provided by operating activities amounted to \$121.1 million, compared to \$131.6 million in 2011. Net cash provided by investing activities amounted to \$13.9 million. Of this, \$41.4 million was used on installments for newbuildings, \$15.0 million was received from sale of newbuilding and \$33.8 million was received from sale of shares in Knightsbridge Tankers limited. Net cash used in financing activities was \$157.3 million. In addition to ordinary repayments of installments and interest \$86.1 million was paid from January to October in relation to minimum value covenants in the loan facilities.

Going Concern

The Company considers itself to be in a financially healthy position in today's demanding dry bulk and financial debt markets. As such, pursuant to Section 3-3a of the Norwegian Accounting Act, the Board confirms that the going-concern assumption applies and that the annual accounts have been prepared on the basis of this assumption. For a description of subsequent events after the balance sheet date please see note 34 to the consolidated accounts.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

Health, safety and the environment is one of the core values and a critical success factors for Golden Ocean. Golden Ocean's crew management is outsourced to external ship managers. However, accidents on vessels are monitored by the Company. The Company has at any time around 450 seafarers onboard its vessels. In 2012, Golden Ocean had two incidents that required medical treatment and one incident were classified as Lost Time Injuries (LTIs). LTI frequency changed from four incidents in 2011 to one in 2012 and incidents requiring medical treatment changed from three in 2011 to two in 2012. Golden Ocean has a zero accident philosophy which implies that no accidents or serious incidents are acceptable. Golden Ocean had no



accidental discharges to the natural environment in 2012. The absence due to sickness for the office employees is between one and two percent.

HUMAN RESOURCES AND DIVERSITY

Golden Ocean has currently 16 employees onshore who are mainly of Norwegian nationality. Females constituted 20 percent of the workforce, 50 percent of Management and 40 percent of the Board of Directors. The Company has an ambition to create a good working environment, and focuses on offering challenging and motivating work tasks and equal development opportunities to all employees, regardless of gender, nationality, culture or religion. Golden Ocean's policy is to promote equality of opportunity to females and males, and hiring, promotion, training and remuneration is based on qualifications such as education, experience and achievements.

CORPORATE GOVERNANCE

In connection with the Company's listing on the Oslo Stock Exchange there is a comply or explain requirement in relation to the Norwegian Code of Practice for Corporate Governance of October 23, 2012. For further information on the Code of Practice see separate attachment.

SHAREHOLDERS

Golden Ocean Group Limited is listed on the Oslo and Singapore Stock Exchanges. The largest shareholder is Hemen Holding Limited, which is a company the shares of which are held in trusts established by Mr. John Fredriksen, the Company's Chairman, President and CEO, for the benefit of his family. Hemen Holding Limited controls some 41 percent of the Company. In the shareholder register as of December 31, 2012 no other shareholder owns or controls more than 10 percent of the Company's shares. In total the twenty largest shareholders controls some 60 percent of the shares, with the remaining held by more than 9,200 investors. The number of outstanding shares in Golden Ocean per December 31, 2012 was 447,261,796.

RISK FACTORS

A number of risk factors may adversely affect the Company. It should be noted that the risks described below are of a general nature and are not the only risks that may affect the Company's business or the value of its shares. Additional risks not presently known to the Board of Directors or considered immaterial at this time may also impair its business operations and prospects.

Market risks

The Company is exposed to the volatility inherent in the dry bulk market, where it has virtually all its assets and operations. The market is volatile and highly competitive. Demand for dry bulk transportation is closely linked to global economic trends, with risks of demand setbacks in periods of economic downturns. Supply of tonnage serving the dry bulk market is growing as an effect of large ordering in previous years. The market balance is difficult to predict, and there is no assurance that resulting rates will be sufficient to cover expenses and/or a return on the Company's capital. When the Company is performing cargo contracts the Company is exposed to bunker price fluctuations. Although we have entered and may enter into some hedging transactions to partially mitigate the risk of bunker rate fluctuations, such hedging or our hedging policy may not adequately cover our exposure to these fluctuations.

Operational risks

The Company's operations may be subject to a number of risks. This includes construction risks, risks of counterparties and refund banks failing to honor their obligations, technical risks (including the service life of the Company's vessels and unexpected repair costs), risks inherent in marine operations such as groundings and collisions, as well as environmental risks. In the course of its activities, the Company may become part to legal proceedings and disputes. Insurance protection may not be adequate in all instances. All of these factors could have a significant impact on the Company's operations or financial position.

***Borrowing and leverage risks***

Borrowings create leverage. To the extent income derived from assets obtained with borrowed funds exceed the interest and other expenses that the Company will have to pay, the Company's net income will be greater than if borrowings were not used. Conversely, if the income from the assets obtained with borrowed funds is not sufficient to cover the cost of borrowings, the net income of the Company will be less than if borrowing were not used. Furthermore, the cash flow must be sufficient to meet the repayment schedule for the borrowed funds in order to avoid default under the financing facilities. The Company will seek to borrow only when the directors of the Company believe that such borrowings will benefit the Company after taking into account considerations such as the costs of the borrowing, the repayment schedules and the likely returns on the assets financed with the borrowed monies. However, no assurance can be given that the income will exceed the interest and costs associated with the loan, or be sufficient to repay the loan when due.

The Company's financing arrangements are subject to customary covenants. As is normal in the maritime industry, such covenants also relate to the market value of the Company's assets being financed. Given the volatility in the equity and debt markets, there can be no assurance that the Company will be able to secure financing or that such financing will be available at commercially reasonable rates, to meet the necessary payment terms under the newbuilding contracts and keep the existing level of gearing on sailing vessels in place.

Interest rate and currency fluctuation risks

The Company will be exposed to risks due to fluctuations in interest rates and exchange rates. The Company is exposed to the interest rate fluctuations through the loan agreements where the cost is based on a floating interest rate plus a fixed margin. Changes in the interest rates may have a material adverse impact in the financial performance of the Company. By the nature of the Company's business, its revenues are primarily earned in USD. The costs are also mainly in USD, the Companies loans are in USD and the Company reports in USD. Exchange rate risk is related to the cost of the management companies as well as other income and costs incurred in other currencies than USD. Although we have entered and may enter into some hedging transactions to partially mitigate the risk of exchange rate and interest rate fluctuations, such hedging or our hedging policy may not adequately cover our exposure to interest rate and exchange rate fluctuations.

STRATEGY AND OUTLOOK

After having cancelled five newbuilding contracts at Jinhaiwan, the Company is now left with four newbuilding contracts in total. The Company has for the sailing vessels about 33 percent open Capesize capacity and 32 percent open Panamax capacity for 2013. From 2014 onwards the spot exposure of the existing fleet will increase gradually which reflects the expectations for the dry bulk market in a longer term perspective.

Given the low time charter period market and potentially improved market conditions by the end of the year, Golden Ocean has presently no intention to secure long term employment beyond 2013.

Golden Ocean intends to grow the company further by doing investments. Both second hand acquisitions of modern vessels and newbuildings, as well as long term lease structures with purchase options are considered. Such opportunities may also include distressed corporate deals. The Company is presently discussing some possible acquisition opportunities.

Outlook

The balance sheet of the Company and the robust cash position has put Golden Ocean in a favorable position compared to many of its competitors to utilize the present downturn and enable further growth.

Utilization of the dry bulk fleet will remain low for most of 2013 due to overhang of newbuildings delivered over the last two years. But the order book is shrinking rapidly over the coming months and with low utilization and corresponding freight rates it is expected that scrapping will remain high. The latter is of high importance in order to achieve a more balanced dry bulk market in a medium to long term perspective



Based on the homogenous fleet and the Company's outsourcing philosophy it is expected that both operating and administrative cost will remain low in the coming years.

The Board is confident in the outlook for the Company's businesses.

Forward Looking Statements

This report may contain forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including Golden Ocean's management's examination of historical operating trends. Although Golden Ocean believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, Golden Ocean cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Important factors that, in the Company's view, could cause actual results to differ materially from those discussed in this report include the strength of world economies and currencies, general market conditions including fluctuations in charter hire rates and vessel values, changes in demand in the dry bulk market, changes in the Company's operating expenses including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports filed by the Company.

Hamilton, Bermuda, March 21, 2013
Board of Directors
Golden Ocean Group Limited
Oslo, March 21, 2013
Herman Billung
CEO Golden Ocean Management AS

BY: /s/ John Fredriksen
John Fredriksen
President, CEO and Chairman

BY: /s/ Tor Olav Trøim
Tor Olav Trøim
Vice President and Director

BY: /s/ Kate Blankenship
Kate Blankenship
Director

BY: /s/ Hans Christian Børresen
Hans Christian Børresen
Director

BY: /s/ Cecilie Fredriksen
Cecilie Fredriksen
Director



Golden Ocean Group Limited
Consolidated Comprehensive Income Statement

(in thousands of \$, except per share data which are in \$)

		Year ended December 31	
		2 012	2 011
	Note		
Operating revenue			
Revenue	3	227 137	316 294
Other operating income	3	2 703	822
Total operating revenue	3	229 840	317 116
Operating expenses			
Voyage expenses and commission		37 054	70 798
Impairment of trade receivables	17	6 199	
Vessel operating expenses		41 468	36 333
Charter hire expenses		29 747	72 627
Administrative expenses	4	13 207	10 732
Depreciation and amortisation	12,13,15	35 792	33 824
Impairment of vessels and vessels under construction	5,12,14	30 288	38 700
Total operating expenses		193 755	263 015
Other gains/losses net			
Impairment of available-for-sale financial assets	18	-	(14 099)
Other gains/(losses) net	6	(1 720)	6 644
Total other gains/(losses) net		(1 720)	(7 455)
Operating profit		34 365	46 646
Interest income	7	1 372	1 195
Interest expense	8	(21 356)	(23 087)
Other financial items	9	(2 717)	(10 474)
Total net financial items		(22 701)	(32 366)
Profit before income tax		11 664	14 280
Income tax	10	(67)	(86)
Profit for the year		11 597	14 194
Profit attributable to:			
Owners of the parent		11 602	14 319
Non-controlling interests		(5)	(125)
Profit for the year		11 597	14 194
Other comprehensive income			
Changes in fair value of available-for-sale financial assets	18	-	(6 871)
Total comprehensive income for the year		11 597	7 323
Comprehensive income attributable to:			
Owners of the parent		11 602	7 448
Non-controlling interests		(5)	(125)
Total comprehensive income for the year		11 597	7 323
Basic and diluted earnings per share	11	\$0.03	\$0.03

See accompanying notes that are an integral part of these financial statements



Golden Ocean Group Limited
Consolidated Balance Sheet

<i>(in thousands of \$)</i>	Notes	As at December 31	
		2012	2011
ASSETS			
Non current assets			
Vessels and equipment, net	12	611 517	637 441
Vessels held under finance leases, net	13	140 217	147 991
Vessels under construction	14	116 082	216 965
Other long term receivables	17	8 026	7 501
Investment in associated companies / JV		1 248	1 575
Intangible assets	15	-	1 605
Total non-current assets		877 090	1 013 079
Current assets			
Cash and cash equivalents incl. restricted cash	16	112 537	138 284
Trade and other receivables	17	14 677	22 789
Refundable installments for cancelled newbuildings	14	100 325	-
Available-for-sale financial assets	18	-	33 330
Inventories		5 750	4 590
Total current assets		233 289	198 992
Total assets		1 110 379	1 212 071
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	19	44 726	45 699
Additional paid in capital		99 156	104 801
Other reserves	20	16 635	14 110
Retained earnings		377 288	364 778
Owners Equity		537 805	529 389
Non-controlling interests		491	496
Total Equity		538 296	529 885
Non-Current Liabilities			
Long term debt	21	324 432	455 385
Obligations under finance leases	22	118 055	124 859
Other long term liabilities		2 205	2 508
Total non-current liabilities		444 693	582 752
Current Liabilities			
Long-term debt - current portion	21	68 733	62 962
Obligations under finance leases – current portion	22	6 837	6 426
Derivative financial liabilities	29	7 782	5 719
Amount due to related parties	23	1 328	655
Trade payables and other current liabilities	24	42 710	23 672
Total current liabilities		127 390	99 434
Total liabilities and shareholders' equity		1 110 379	1 212 071

See accompanying notes that are an integral part of these financial statements



Golden Ocean Group Limited
Consolidated Cash Flow Statement
(in thousands of \$)

Year ended December 31
2012 **2011**

OPERATING ACTIVITIES

Profit after income tax		11 597	14 194
Adjustments for:			
Capitalised docking and periodic maintenance		(3 430)	-
Value of services under stock option scheme		989	982
Gain on sale and Impairment of available-for-sale financial assets	18	(505)	14 099
Share of (profit) / loss from associates/JVs		(1 422)	(818)
Interest income	7	(1 372)	(1 195)
Interest expensed		20 581	26 200
Depreciation and amortisation	12,13,15	35 791	33 824
Amortisation of deferred charges		775	652
Impairment of owned vessels and vessels under construction	5,12,14	30 288	38 700
Net change in:			
Other items		(966)	1 065
Amount due to related parties		675	688
Derivative instrument receivable / payable amounts	29	2 063	9 331
Trade and other receivables	17	8 111	(4 629)
Inventories		(1 160)	1 617
Trade payables and other current liabilities	24	19 039	(3 094)
Net cash provided by operating activities		121 055	131 615

INVESTING ACTIVITIES

Changes in restricted cash	16	3 382	(11 006)
Interest received	7	1 372	1 195
Payments on vessels		(41 431)	(119 252)
Dividend received		1 750	-
Net proceeds from sale of vessels under construction		14 970	-
Sale of available-for-sale financial assets		33 835	(24)
Net cash provided by / (used in) investing activities		13 878	(129 087)

FINANCING ACTIVITIES

Payment of financing charges		(2 031)	(1 767)
Payment of interest		(20 522)	(26 200)
Purchase of treasury shares		(4 154)	(2 465)
Repayment of obligations under finance leases		(6 255)	(6 835)
Repayment of long term debt		(127 864)	(60 837)
Proceeds from long term debt		11 250	93 125
Repayment of convertible bonds		(7 700)	-
Payment of dividends	31	(22)	(50 312)
Net cash (used in) / provided by financing activities		(157 297)	(55 291)
Net change in cash and cash equivalents		(22 365)	(52 763)
Cash and cash equivalents at beginning of period		126 724	179 487
Cash and cash equivalents at end of period	16	104 359	126 724



Golden Ocean Group Limited
Consolidated Statement of
Changes in Equity

Total Attributable to equity holders of the parent

(in thousands of \$)

	Share Capital	Additional paid in capital	Other Reserves	Retained Earnings	Total	Non- Controlling interests	Total Equity
Balance at January 1, 2011	45 699	104 801	23 506	399 814	573 820	644	574 464
Comprehensive income for the period	-	-	(6 871)	14 319	7 448	(148)	7 300
Purchase of treasury shares	-	-	(2 465)	-	(2 465)	-	(2 465)
Currency translation / other	-	-	(61)	(24)	(85)	-	(85)
Dividend paid	-	-	-	(50 312)	(50 312)	-	(50 312)
Value of services under stock options scheme	-	-	-	982	982	-	982
Balance at December 31, 2011	45 699	104 801	14 110	364 779	529 389	496	529 885
Comprehensive income for the period	-	-	-	11 602	11 602	(5)	11 597
Purchase and cancellation of treasury shares	(973)	(5 646)	2 465	-	(4 153)	-	(4 153)
Currency translation / other	-	-	60	(60)	-	-	-
Dividend paid	-	-	-	(22)	(22)	-	(22)
Value of services under stock options scheme	-	-	-	989	989	-	989
Balance at December 31, 2012	44 726	99 156	16 635	377 288	537 805	491	538 296



1. GENERAL

Golden Ocean Group Limited (the “Company”, “Group” or “Golden Ocean”) was incorporated in Bermuda on November 8, 2004 as a limited company. The Company’s registered address is Par la Ville Place, Par la Ville Road, Hamilton, Bermuda. The Company was formed as a wholly owned subsidiary of Frontline Ltd. (“Frontline”), a Bermuda publicly listed company, for the purpose of acquiring, by way of contribution, certain drybulk shipping interests held by Frontline.

The Company subsequently de-merged from Frontline and was listed on the Oslo Stock Exchange on December 15, 2004.

The Group consists of the Company and its subsidiary companies and single purpose companies (note 32). The principal activities of the Group are ship ownership and operation. The Company is also involved in chartering activity, as well as sale and purchase of vessels. The Group operates a fleet of owned and leased Panamax and Capesize drybulk vessels. The Group may also trade forward freight agreements for the purpose of managing its exposure to the spot market and for speculating.

2. PRINCIPAL ACCOUNTING POLICIES

The accompanying consolidated financial statements are prepared in accordance with International Financial Reporting Standards and IFRIC interpretations. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit of loss.

The preparation of financial statement in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group’s accounting policies.

The following are the significant accounting policies adopted by the Group:

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities (including special purpose entities) controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company has the intention to consolidate when the substance of the relationship between the Company and the entity indicates that the entity is controlled by the Company.

The results of the subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Joint ventures are entities that the Group have contractual arrangements with to jointly share the control with one or more parties. The Group’s interest in joint ventures is accounted for in the consolidated financial statements applying the equity method and the share of the joint venture post – acquisition profit or losses is recognized in one line in the income statement under other gain/losses net

Associates are all entities in which the Group has a significant influence, but not control, generally ownership between 20% and 50%. Investments in associates are accounted for by applying the equity method of accounting and are initially recognized at cost. The Group’s share of its associates post – acquisition profits or losses is recognized in the income statement under other gain/losses net. Total losses in the associates will not exceed the total investment in the Company if not any extra guarantees are given.

All intra-group transactions and balances are eliminated on consolidation.

**(b) Revenue and expenditure**

Revenue and expenditure are measured at fair value received or receivable and paid or payable respectively. A voyage is defined as starting after unloading at the end of the previous voyage, as long as a signed contract is in place (discharge to discharge basis). Under IAS 18, revenues are not allocated to ballast days, unless a signed contract is in place. In such circumstances the earning process starts when the goods are loaded on to the vessel and the voyage starts. The earnings process is completed upon discharge. Voyage related expenses (port expenses, bunkers expenses, broker commissions) for vessels without an agreed charter contract in place (idle time or freight seeking days), are expensed in the period incurred. Demurrage revenue is recognized if it is considered probable that the Group will receive payment.

Revenues from time charters are accounted for as operating leases under IAS 17 and are recognized on a straight-line basis over the rental periods of such charters, as service is performed.

Losses from time charters or voyage charters are provided for in full when they become probable in accordance with the provisions for onerous contracts in IAS 37.

Where the Group is party to a profit sharing arrangement, revenue is accounted for on a daily basis as earned and receivable in accordance with the terms of the arrangement.

Voyage expenses and commission consist mostly of expenses for dry voyages and includes bunker consumption, port cost and other voyage related expenses such as war risk insurance, cleaning etc. In addition broker commissions on both dry and tc-out voyages are included.

Vessel operations are outsourced to different Management companies who handle all the running cost for the vessels (salaries, lub.oil, insurances, spares, repair and maintenance). These costs are classified as vessel operating expenses and all costs are charged to the income statement when incurred. The Group capitalizes the cost of a dry docking at the time the dry docking takes place. The capitalized costs are written off as vessel running costs on a straight line basis over the estimated period to the next dry docking.

Charter hire expenses are net hire expenses for vessel on operational lease.

(c) Pensions

The Company has set up a defined benefit scheme with a life insurance company to provide pension benefits for its employees in Norway. The scheme provides entitlement to benefits based on future service from the commencement date of the scheme. These benefits are principally dependent on an employee's pension qualifying period, salary at retirement age and the size of benefits from the National Insurance Scheme. Full retirement pension will amount to approximately 70% of the scheme pension-qualifying income (limited to 12G). The scheme also includes entitlement to disability, spouses and children's pensions. The retirement age under the scheme is aged 67 years.

The Company may at any time make alterations to the terms and conditions of the pension scheme and undertake that they will inform the employees of any such changes. The benefits accruing under the scheme are funded obligations.

All pension schemes are calculated in accordance with the IFRS (IAS 19). Changes in the pension obligations as a result of changed actuarial assumptions and variations between actual and anticipated return on pension funds will be entered on the average remaining earnings period according to the "corridor" regulations.

(d) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease



payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Rentals payable under operating leases are charged to the income statement on a straight line basis over the term of the relevant lease.

(e) Translation of foreign currencies

The entity's functional and presentational currency is the United States Dollar (US Dollars, USD or \$) as most of the revenue and expenses of the Company and its subsidiaries are denominated in US Dollars.

Transactions in currencies other than the functional currency are recorded at the rate of exchange on the date of the transaction. At the balance sheet date all monetary items are translated at the rate of exchange in effect at the balance sheet date. Non-monetary items are translated at historical rates, unless such items are carried at fair value, in which case they are translated at the rate of exchange in effect at the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period. Exchange differences on non-monetary items carried at fair value are included in the income statement for the period. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

The element of obligations under finance leases relating to options to purchase vessels, for which the exercise is reasonably certain and the exercise prices are denominated in foreign currencies, are considered monetary items. If it is considered unlikely that the purchase option will be exercised, the foreign currency element is considered a non-monetary liability and translated at the historical exchange rate at the date of the assessment.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in US Dollars using the prevailing exchange rates on the balance sheet date. Income and expense items are translated at the average rates for the period. Exchange differences are presented in equity.

(f) Property plant and equipment and depreciation

Assets are recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on the basis that the book value of the assets, less any estimated residual value, is written off on a straight line basis over the remaining useful life. In accordance with IAS16 – "Property, Plant and Equipment", the Group annually reviews the useful life and residual value of assets.

When the Company enters into newbuilding contracts, the Company assesses if it has a practice of settling similar contracts net in cash by entering into offsetting contracts or by selling the contract before taking delivery of the vessel. Similarly, when the Company enters into an agreement to buy a vessel, and subsequently enters into a contract to sell it prior to taking delivery, or a short time after delivery, the Company assesses if the contract to sell the vessel creates a practice of net settlement. Contracts settled net in cash are carried at fair value in the balance sheet and changes in the fair value are recorded in the income statement. Similarity is assessed on a contract by contract basis by evaluating past transactions where newbuilding contracts have been settled net in cash. As at the balance sheet date management believes that the Company does not have a past practice of settling any newbuilding contracts net in cash.

Other newbuilding contracts are treated as Property, Plant and Equipment in a separate category ("vessels under construction"), and accounted for at cost, including capitalized borrowing costs. Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds directly and indirectly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs are capitalized until such time as the assets are substantially ready for their



intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing eligible for capitalization.

All other borrowing costs are recognized in the income statement during the period in which they are incurred.

Vessels under construction are carried at cost, less any recognized impairment losses. Costs include professional fees and borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation commences when assets are available for their intended use.

The vessels are depreciated from the date the vessel is available for its intended use over the remaining useful life (25 years). Depreciation is calculated using the straight line method based on the cost of the vessels, less any estimated residual value. The vessels residual value and useful life are reviewed at the end of each year. Residual value is based on broker valuations at balance sheet date.

Vessels held under finance leases are depreciated over their expected useful lives on the same basis as owned vessels (25 years) or, where shorter, the term of the relevant lease.

Dry-docking costs are capitalized and written off over the estimated period to the next dry-dock. Unamortized costs are written off on disposal of the vessel.

The gain or loss arising on the disposal or retirement of a vessel is determined as the difference between the sales proceeds and the carrying amount of the asset is recorded the income statement.

Fixtures and equipment are depreciated over their expected useful lives.

(g) Intangible assets

Intangible assets represent part of the original consideration paid to acquire a fleet of vessels with existing time charter contracts in 2005. Intangible assets are amortized on a straight line basis over a 365 day period based on the minimum lease period for the individual vessels as defined by IAS 17. Intangible assets are not amortized until the vessel is delivered to the Group.

(h) Impairment

At each balance sheet date, the Group reviews the carrying amount of its non-current assets to determine if there is any indication the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss. Each vessel, newbuilding contract or lease vessel is considered as a Cash Generating Unit for the purpose of the impairment test.

The recoverable amount is the higher of the fair value of the asset including the mark-to-market value of the charter contract less costs to sell and value in use. The vessels are valued by independent brokers, and reflect the underlying economic value of the assets in normal market conditions (where supply and demand is in reasonable equilibrium) and assumes adequate time for a sale and a willing buyer and seller. The valuations from three independent brokers is prepared on a charter free basis and do not take into account the long-term charters that the Group has entered into for some of the vessels. The mark-to-market value of the charter contract is added to the broker value to find the fair value of the asset. In a period of inactivity, where transactions between willing buyers and sellers are limited, and where supply and demand are not in reasonable equilibrium, the Group does not rely on broker valuations to determine the recoverable amount but uses the value in use methodology. When determining the value in use, the discounted future cash flow is based on the agreed charter rate for fixed periods and on the forward market revenues for open periods, less an estimate of operating expenses over the remaining useful life at a WACC rate and a future growth factor. The Weighted Average Cost of Capital (WACC) is calculated as Debt Ratio * (20 year US Government bond + loan margin) + Equity Ratio * (20 years US Government bond + Beta * Risk Premium). The Company has used a peer group of in total seven dry bulk companies in order to calculate the beta and the debt and equity ratio and measured the risk for these companies relative to the world market index. The loan margin represents the current margin level that Golden Oceans can obtain in the market today.



The mark-to-market value of the charter contract is calculated as the net present value of the charter hire rate less the forward market, multiplied by the number of days the charter is running.

Revenue on open periods is estimated by the Group based on the forward freight curve for the next seven years and then an estimated growth for the remaining life. The growth factor for expense is applied to at same level as the growth factor for revenues. Assets are assessed individually.

When an impairment loss is identified the carrying value of the asset is reduced to the recoverable amount and the impairment loss is recorded in the income statement.

For the purpose of impairment testing, the recoverable amounts for the vessels under construction are determined by the net present value of the estimated value in use minus the paid installments and other accrued cost plus the net present value of the remaining installments payable.

(i) Inventories

Inventories consist of bunker fuel on the vessels and stores (lub.oil) and other supplies. Inventories are valued at the lower of cost and net realizable value. Cost is calculated on a first in first out basis. Bunker stock on vessels chartered out is sold and belongs to the charterer.

(j) Financial instruments

Classification of financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement of financial assets

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in



which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other financial items when the Group's right to receive payments is established.

Changes in the fair value of the securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'other gains/ (losses)'.

Derivatives

Derivative financial instruments are initially measured at fair value on the date a derivative contract is entered into and are subsequently measured at the fair value. Movements in the fair value of derivative financial instruments are recognized in the income statement in other financial items.

Trade and other receivables

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less appropriate allowances for credit losses per the Group's accounting policy on note 2(o). If collection is expected in more than one year, they are presented as non-current assets.

Refundable installments for cancelled newbuildings and related bank borrowings

A vessel under construction is classified as refundable installments for cancelled newbuildings when Golden Ocean has cancelled the newbuilding contract, and is measured at the lower of its carrying amount or fair value of the refund. Debt relating to short term balances is classified as short term debt as it falls due when the refund is received.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with a maturity of less than three months, and other highly liquid investments with a maturity of less than three months when acquired that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Impairment of financial assets

(a) Assets carried at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the assets are impaired. IFRS standards indicates that a drop of more than 20% is classified as significant and that if the assets are below the cost price for six to twelve months, the period is considered to be prolonged. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the separate consolidated income statement. Impairment losses recognised in the separate consolidated income statement on equity instruments are not reversed through the separate consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the separate consolidated income statement.



Trade and other payables

The trade payables are initially recognized at historical cost. Non-current trade payables are initially recognized at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Bank borrowings

Interest bearing bank loans and overdrafts are initially measured at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortized cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement and redemption of borrowings is recognized over the term of the borrowings.

Substantial modifications of the terms of existing borrowings are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Any costs or fees incurred are then recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the liability's carrying amount and are amortized over the modified liability's remaining term.

Convertible bonds

The liability component of the convertible bond is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the convertible bond as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of the convertible bonds is measured at amortized cost using the effective interest method. The equity component of the convertible bonds is not re-measured subsequent to initial recognition.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

When the Company repurchases convertible bonds, the difference between the fair value liability component at the repurchase date and the original fair value is recognized in the income statement under other financial items. Any remaining gains or losses are recognized as a repurchase of the equity component of the convertible bond.

(k) Share based payments

The Group issues equity settled share-based payments to certain directors and employees. Equity settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of the shares that will vest and adjusted for the effect of non market-based vesting conditions.

The fair value is measured using a Black-Sholes model. The inputs used in the model are based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

(l) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board (see note 3).

(m) Share capital

Ordinary shares issued are classified as share capital at par value. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction from the proceeds under additional paid in capital.

Where any group company purchases the companies equity share capital (treasury shares) the consideration paid including any directly attributable incremental cost is deducted from equity – other reserve – until the shares are cancelled or reissued. When such treasury shares are cancelled, the nominal value is deducted from share capital and excess value is deducted from additional paid in capital.

**(n) Recent accounting pronouncements**

(ii) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2012 but not currently relevant to the Group (although they may affect the accounting for future transactions and events)

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2012 or later periods, but the group has not early adopted them.

IAS 19 (amendment), 'Employee benefits', effective 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. The effect of changing the corridor approach in 2012 would have been an increase in the pension obligations with \$0.6 million against equity.

IAS 28 (revised), 'Associates and joint ventures', effective 1 January 2013. IAS28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

IFRS 9, 'Financial instruments' (effective 1 January 2013). IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.

IFRS 10 'Consolidated financial statements' (effective 1 January 2013). The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. Defines the principle of control, and establishes control as the basis for consolidation. Sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. Sets out the accounting requirements for the preparation of consolidated financial statements.

IFRS 11 'Joint arrangements' (effective 1 January 2013). IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

IFRS 12 'Disclosures of interest in other entities' (effective 1 January 2013). IFRS 12 includes the disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

IFRS 13 'Fair value measurement' (effective 1 January 2013). IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

The Company is currently reviewing the effect of implementation of these new standards. The effect is likely to be minor.

**(o) Critical accounting estimates and judgments**

Estimates and judgments are evaluated and based on experience and other factors that are believed to be reasonable under the current circumstances. The following summarizes the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the judgments made in applying the Group's accounting policies.

Asset impairment testing

The Group reviews its non-current assets for impairment at each balance sheet date as discussed in note 2(f, h). In order to assess if impairment exists, management estimates discounted future cash flows, residual values, and remaining lives of the assets. Market factors affecting expected future revenue, operating costs, residual values and obsolescence may affect the discounted future cash flows. Actual outcomes may vary significantly from the estimates of the discounted future cash flows. Where the future cash flow depends on charter contracts the estimates are based on charterer's fulfillment of the contracts.

Based on the model for WACC defined in note 2(h) and the current values for the different parameters, the Company calculated a WACC of 6.92% for the end of 2012 (2011: 7.30%). This is down from 2011 due to lower levels for interest rates and the lower volatility for dry bulk stocks relative to the overall equity market, reducing the beta for the dry bulk peers. If the estimated cost of capital (WACC) used in the Vessel valuation model had been 1% higher, ceteris paribus, than management's estimate above, the Group would have recognized a net impairment of \$28.3 million. If the forward market had been 10% lower, ceteris paribus, the Group would have recognized an impairment of \$58.9 million. If the broker values of the assets had dropped 10%, ceteris paribus, there would be no changes to the net impairment. If the WACC had been 7.92%, and both the forward market rates and the broker values had decreased by 10%, the impairment would have increased by \$96.8 million. The Group has used 4% growth based on China growth as the main driven factor used in the terminal period between 8-25 years and with 1% reduced growth to 3%, there would have been recognized an impairment of \$2.7 million without changing other parameters simultaneously.

Refundable installments for cancelled newbuildings

The installments and accrued cost related to the cancelled newbuilding contracts has been classified as a short term receivable. Management expects refunds to exceed the recorded receivable. Debt related to the cancelled newbuilding contracts of \$27.2 million is classified as short term debt as it falls due once refund is received, see note 14.

Onerous contracts

The Group has made accruals and provisions for partially completed lease-in contracts and for losses or adjustments to existing and previously completed contracts. Revenue on open positions is estimated by the Group based on the forward freight curve. Provisions for losses on existing contracts are made when the unavoidable costs of the contract exceed the expected revenue. As these estimates are based upon information available at the balance sheet date, they are subject to change as further information becomes available. Such changes in estimates may affect the earnings of future periods.

The Group had made no accruals for onerous contracts at December 31, 2012. All the TC-in contracts were fixed out with an expected gain at year end. If the assumed revenues for open contracts (based on the FFA-curve at December 31, 2012) had been reduced by 10%, there would be no effect on the treatment of onerous contract.

Legal provisions

The Group is party to various legal proceedings and material legal provisions are disclosed in the relevant notes. Additional claims could be made that may not be covered by existing provisions or by insurance. There can be no assurance that there will not be further claims, proceedings or investigations. Such further claims may be material and impact future periods.

Leases

The Group is party to leasing transactions as both lessee and lessor. The accounting for a lease transaction is mainly determined by whether the lease is considered to be a finance lease or an



operating lease. Management looks to the substance of the transaction in judging whether substantially all the risks and rewards of ownership are transferred.

Financial lease purchase option in JPY

In September 2012, the Company reassessed the likelihood of exercising the purchase option denominated in JPY for Ocean Minerva and Golden Heiwa. The Company assumes to be redelivering the vessels at the end of the charter period. The JPY lease liabilities relating to the purchase options are therefore considered non-monetary liabilities and are translated at the historical exchange rate at the date the reassessment was made. As a result of the change in the estimate of useful life, depreciation relating to the two vessels will increase by \$2.0 million per annum until 2017.

Impairment of trade receivables

The Company has an outstanding receivable of \$6.2 million from Sanko Steamship in relation to the time charter of Golden Feng. As Sanko has entered into formal rehabilitation proceedings in Japan, the Company considers it unlikely to receive the outstanding amount. The Company has therefore made a provision for the outstanding receivable at \$6.2 million.

3. SEGMENT INFORMATION

The Group's revenue and operating results relate to its chartering operations which are carried out internationally and cannot be attributable to any particular geographical location or separate into any various products. No analysis by either business or geographical segment is required by key management and is therefore not included in the financial reporting. Revenue recognized by category is analysed as follows:

<i>(in thousands of \$)</i>	2012	2011
Time charter and voyage charter revenue	227 137	316 294
	227 137	316 294
Other operating revenue	2 703	822
Total operating revenue	229 840	317 116

The Group has two counterparts that contribute more than 10% of the total operating revenues. One contributes to about 20% of the total operating revenues amounting to \$45.9 million (2011:\$36.8 million) and the other counterpart contributes to about 13% amounting to \$28.8 million (2011:\$43.0 million).

Other operating revenue of \$2.7million in 2012 (2011: \$0.8 million) is related to commercial management agreements with Knightsbridge Tankers Limited and Ship Finance International Ltd, settlement received from Korea Line Corporation and paid-out settlement from charterers for cancelled voyages .

4. ADMINISTRATIVE EXPENSES

<i>(in thousands of \$)</i>	2012	2011
Employee benefit expense	6 314	5 752
Auditors' remuneration	228	206
Directors fee	270	292
Professional fees	4 314	2 202
Office and Travel expenses	2 081	2 280
Total Administrative expenses	13 207	10 732



5. IMPAIRMENT OF VESSELS, FINANCIAL LEASE VESSELS AND VESSELS UNDER CONSTRUCTION

The Group booked impairment of \$40.8 million during 2012. This is related to six sailing vessels and one vessel, Golden Emerald, disposed of during the year. The impairment need was mostly triggered due to the combination of relatively lower FFA curve in relation to previous years and the loss of charter on Golden Feng when Sanko went into rehabilitation. At the same time the Company booked a reversal of impairment of \$10.5 million related to one newbuilding contract where the contract price was renegotiated.

The impairment test is based on the higher of the market value of the vessel, including any mark-to-market value of the charter contract, and the estimated value in use for the vessel. The market valuation of the vessel is based on the average estimated vessel value from three different brokers. The mark-to-market value of the charter contract is calculated as the net present value of the charter hire rate less the forward market, multiplied by the number of days the charter is running. The value in use calculation is based on expected discounted future cash flow for the vessel. Based on these valuations, the Company recorded the impairment for 2012 based on value in use calculations.

For impairment sensitivity see note 2(o) – asset impairment testing.

6. OTHER GAINS/ (LOSSES) NET

<i>(in thousands of \$)</i>	2012	2011
Gain/(loss) on bunkers hedge	(634)	3 269
Income from associates / JV's	1 422	818
Gain/(loss) from freight future contracts	(2 509)	2 557
Other gains/(losses) net	(1 720)	6 644

7. INTEREST INCOME

<i>(in thousands of \$)</i>	2012	2011
Interest on bank deposits	1 372	1 195
Total interest income	1 372	1 195

8. INTEREST EXPENSE

<i>(in thousands of \$)</i>	2012	2011
Interest on bank overdrafts and loans	15 792	17 467
Interest on obligations under finance leases	8 741	9 232
Interest expense	24 533	26 699
Less amounts included in the cost of qualifying assets	(3 177)	(3 612)
Total interest expense	21 356	23 087

9. OTHER FINANCIAL ITEMS

<i>(in thousands of \$)</i>	2012	2011
Foreign exchange gain/ (losses)	138	(1 856)
Dividend received	1 219	4 876
Interest swap	(4 913)	(13 408)
Other financial items	840	(86)
Other financial items	(2 717)	(10 474)

The fair value of the interest swap on December 31, 2012 was a liability of \$7.6 million.

10. INCOME TAX

At the date of this report, there is no Bermuda income, corporation, or profits tax, nor is there any withholding tax, capital tax, capital transfer tax, estate duty or inheritance tax payable by the Company.

The Company has obtained, from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966, an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until March 31, 2035, be applicable to the Company or to any of its operations, or to the Company's shares, debentures or other obligations, except in so far as such tax applies to persons ordinarily resident in Bermuda and holding the Company's shares, debentures or other obligations, or any property in Bermuda leased or let to the Company.

The Company's subsidiaries Golden Ocean Management AS, Golden Ocean Management Asia Pte. Ltd. and Golden Ocean (Cyprus) Limited are subject to taxation in Norway, Singapore and Cyprus respectively. The tax charge for the year for Golden Ocean Management AS was \$62 000 (2011: \$82 000) and for Golden Ocean Management Asia Pte. Ltd. was \$5 000 (2011: \$4 000). The tax charge for Golden Ocean (Cyprus) Limited was \$0 (2011:\$0).

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent for continuing operations is based on the following data:

<i>(in thousands of \$)</i>	2012	2011
Earnings for the purposes of basic earnings per share (profit for the year attributable to equity holders of the parent)	11 602	14 319
Effect of interest expense on convertible debt	129	279
Earnings for the purposes of diluted earnings per share	11 731	14 598

<i>(in thousands of shares)</i>	2012	2011
Weighted average number or ordinary shares for the purposes of basic earnings per share	453 500	456 990
Effect of dilutive potential ordinary shares: Convertible bonds	-	1 328
Weighted average number or ordinary shares for the purposes of diluted earnings per share	453 500	458 318

<i>(in \$)</i>	2012	2011
Earnings per share basic	\$0.03	\$0.03
Earnings per share fully diluted	\$0.03	\$0.03



Neither the stock options granted during 2012 nor the stock options granted in previous years were in the money during 2012. These stock options are therefore not considered to have a dilutive effect on earnings per share fully diluted.

12. VESSELS AND EQUIPMENT, NET

The Group has the following owned vessels at December 31, 2012.

Vessel	Built	DWT	Flag	
Channel Alliance	1996	171 978	Hong Kong	
Channel Navigator	1997	172 058	Hong Kong	
Golden Saguenay	2008	75 500	Hong Kong	
Golden Opportunity	2008	75 500	Hong Kong	
Golden Ice	2008	75 845	Hong Kong	
Golden Feng	2009	170 500	Marshall Island	
Golden Strength	2009	75 745	Hong Kong	
Golden Shui	2009	170 500	Marshall Island	
Golden Beijing	2010	176 000	Hong Kong	
Golden Eminence	2010	79 447	Hong Kong	
Golden Empress	2010	79 600	Hong Kong	
Golden Endeavour	2010	79 600	Hong Kong	
Golden Endurer	2011	79 600	Hong Kong	
Golden Enterprise	2011	79 471	Hong Kong	
Golden Zhoushan	2011	175 834	Hong Kong	
Golden Suck	2011	74 500	Hong Kong	
Golden Bull	2012	74 500	Hong Kong	

<i>(in thousands of \$)</i>	<i>Docking and periodic maintenance</i>				<i>Fixtures and Equipment</i>	<i>Total</i>
	<i>Vessels</i>					
Cost:						
At January 1, 2011	579 041	2 799	509		582 349	
Additions	2 739	1 253	54		4 046	
Transferred from vessels under construction (note 14)	150 935	-	-		150 935	
At December 31, 2011	732 716	4 052	563		737 330	
At January 1, 2012	732 716	4 052	563		737 331	
Additions	1 206	3 430	7		4 643	
Transferred from vessels under construction (note 14)	34 421	-	25		34 446	
At December 31, 2012	768 343	7 482	595		776 420	
Accumulated depreciation and impairment:						
At January 1, 2011	46 918	1 814	309		49 041	
Impairment	28 200				28 200	
Depreciation	22 590	-	58		22 648	
At December 31, 2011	97 708	1 814	367		99 889	
At January 1, 2012	97 708	1 814	367		99 889	
Impairment (note 5)	38 600	-	-		38 600	
Depreciation	25 116	1 267	30		26 413	
At December 31, 2012	161 424	3 081	397		164 902	
Carrying amount:						
At December 31, 2012	606 918	4 401	198		611 517	
At December 31, 2011	635 007	2 238	196		637 441	

The Group has pledged all of owned vessels to secure various banking facilities (note 21).



During the year, the Group carried out a review of the recoverable amount of its vessel fleet (see note 5).

13. VESSEL HELD UNDER FINANCE LEASES, NET

The Group has the following vessels on financial lease at December 31, 2012.

Vessel	Built	DWT	Flag
Golden Lyderhorn	1999	74 242	Hong Kong
Ocean Minerva	2007	75 698	Panama
Golden Heiwa	2007	76 662	Panama
Golden Eclipse	2010	79 600	Hong Kong
(in thousands of \$)			
Cost:			
At January 1, 2011			176 159
At December 31, 2011			176 159
At January 1, 2012			176 159
At December 31, 2012			176 159
Accumulated depreciation:			
At January 1, 2011			20 973
Depreciation			7 195
At December 31, 2011			28 168
At January 1, 2012			28 168
Depreciation			7 774
At December 31, 2012			35 942
Carrying amount:			
At December 31, 2012			140 217
At December 31, 2011			147 991

Vessels held under finance lease are depreciated on the same basis as owned vessels.

The Group leases M/V Golden Lyderhorn in from Mount Lyderhorn LLC, a third party. The substance of the transaction indicates that the activities of Mount Lyderhorn LLC are controlled by the Group and this makes it a special purpose entity under SIC Interpretation 12 – “Special purpose Entities” and should therefore be consolidated. The necessary information to consolidate is not available, and as a result Mount Lyderhorn LLC has not been consolidated. The Company expects that it would not have any impact on either the profit for the year or net assets of the Group but only affects the presentation of certain amounts in the balance sheet.

The Group carried out a review of the recoverable amount of vessels held under finance leases at the balance sheet date. The Group did not record any impairment losses as a result of the review (see note 5).

**14. VESSELS UNDER CONSTRUCTION**

<i>(in thousands of \$)</i>	New Buildings
At January 1, 2011	262 337
Additions	116 063
Impairment	(10 500)
Transferred to vessels and equipment (note 12)	(150 935)
At December 31, 2011	216 965
At January 1, 2012	216 9
Additions	40 522
Net reversal of impairment (note 5)	8 312
Cancellations - transferred to short term receivables	(100 325)
Disposals	(14 970)
Transferred to vessels and equipment (note 12)	(34 421)
At December 31, 2012	116 0

The Group has pledged most of the vessels under construction to secure various banking facilities (note 21).

The vessels under constructions are financed under two loan agreements and all interest expenses before delivery are capitalized as part of the cost of the vessel.

One Panamax vessel, Golden Bull, has been delivered to the Group during 2012 from Pipavav Defence and Offshore Engineering Company Limited ("Pipavav").

One vessel under construction newbuilding contract, Golden Emerald was sold for \$15.0 million in the second quarter of 2012. The Company recorded an impairment of \$2.2 million on the new building contract during the first quarter. No gain/loss on sale has therefore been recorded on this disposal. The Company also reversed an impairment of \$10.5 million, on the vessel under construction Golden Nantong due to agreement with the yard regarding new purchase prices during the second quarter of 2012.

Additions include installments, capitalized interest (note 8) and supervision on newbuildings.

Refundable installments for cancelled newbuildings

The Company has in fourth quarter of 2012 cancelled four newbuilding contracts from Zhoushan Jinhaiwan Shipyard Co. Ltd. The installments and the capitalized cost have been classified as a short term receivable. Management expects refunds to exceed the recognised amount.

The Company also cancelled one newbuilding with a book value of \$42.6 million in January 2013.

**15. INTANGIBLE ASSETS, NET**

<i>Cost and net book value (in thousands of \$)</i>	
Cost:	
At January 1, 2011	53 895
Amortisation	
At January 1, 2011	48 301
Charge for the year	3 990
At December 31, 2011	52 291
Charge for the year	1 605
At December 31, 2012	53 895
Carrying amount:	
At December 31, 2012	-
At December 31, 2011	1 605

Intangible assets represents part of the original consideration paid to acquire a fleet of vessels with existing time charter contracts in 2005.

16. CASH AND CASH EQUIVALENTS INCLUDING RESTRICTED CASH

<i>(in thousands of \$)</i>	2012	2011
Current accounts	84 859	66 724
Short-term deposits	19 500	60 000
Cash and cash equivalents at year end	104 359	126 724
Restricted cash	8 178	11 560
Cash and cash equivalents including restricted cash at year end	112 537	138 284

Details of restricted cash are given in note 29.

17. TRADE AND OTHER RECEIVABLES

<i>(in thousands of \$)</i>	2012	2011
Trade receivables, net	1 656	7 460
Other receivables	14 973	16 578
Prepayments	6 074	6 251
Accrued income	22 703	30 29
Less non-current portion: other receivables	(8 026)	(7 501)
Current portion	14 677	22 789

The current portion of other receivables consists of prepayment to managers and agents of \$3.6 million and reclassification of bunkers inventory of \$1.8 million where charterer have deducted bunkers before redelivery of the vessel.

The non-current portion of other receivables relates to the sale of MV Bellflower in 2009 and falls due within four years from the end of the reporting period. The non-current amount due is \$10.0 million and the discounted amount per year end are \$8.0 million (7% discount rate). The non-current receivables are secured with a mortgage in the sold vessel.



The Company has made a provision for impairment of trade receivables of \$6.2 million in relation to the hire outstanding from Sanko. The outstanding is therefore not included in trade receivables. No provisions for impairments for trade receivables were made in 2011.

The fair value of trade and other receivables are as follows:

<i>(in thousands of \$)</i>	2012	2011	Fair value	
			2012	2011
Trade receivables	1 656	7 460	1 656	7 460
Other receivables	14 973	16 578	15 193	16 883
	16 629	24 038	16 849	24 343

The fair values of the non current portion of the other receivables are based on the discounted cash flows of the assets. The discount rate equals LIBOR plus margin for an appropriate credit rating (6% for both 2012 and 2011).

As of December 31, 2012, trade receivables of \$1.1million were overdue but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

<i>(in thousands of \$)</i>	2012	2011
Up to 3 months	648	2 058
3 to 6 months	10	743
More than 6 months	485	978
	1 143	3 77

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

<i>(in thousands of \$)</i>	
At January 1, 2011	-
Additions	54 299
Impairment of available-for-sale financial assets	(14 099)
Decrease in value recognized as other comprehensive income	(6 871)
At December 31, 2011	33 330
At January 1, 2012	33 330
Disposals	(33 330)
At December 31, 2012	

During the first quarter of 2012, the Company sold all of the common shares held in Knightsbridge Tankers Limited (2,438,199 shares) for a consideration of \$33.8 million and booked a gain net after cost of \$0.5 million dollars reported in other financial items.



19. SHARE CAPITAL

Authorised share capital is as follows:

<i>(in thousands of \$)</i>	2012	2011
5,000,000,000 ordinary shares of \$0.10 par value each	500 000	500 000

Issued and fully paid share capital is as follows:

<i>(in number of shares)</i>	2012	2011
At January 1	456 990 107	456 990 107
Shares cancelled	(9 728 311)	-
At December 31, 2012	447 261 796	456 990 107

<i>(in thousands of \$)</i>	2012	2011
At January 1	45 699	45 699
Shares cancelled	(973)	-
At December 31, 2012	44 726	45 699

The Company's ordinary shares are listed on the Oslo Stock Exchange ("OSE") and Singapore Stock Exchange ("SGX"). The issued shares are fully paid. All issued shares in the Company are of the same class and have the same rights in the Company. Each share in the Company carries one vote.

In January 2012 the Company cancelled a total of 3,490,107 of the Company's own common stocks on Oslo Stock Exchange that had an average purchase price of NOK 3.99 in 2011.

In third quarter of 2012 the Company purchased a total of 6,238,204 of the Company's own common stocks on Oslo Stock Exchange, at an average purchase price of NOK 4.0. In December the Company cancelled all of those shares. Following the cancellation of the shares, the outstanding issued shares in Golden Ocean Group Limited is 447,261,796.



The twenty largest shareholders as at December 31, 2012 are as follows:

Name	Number of Shares	Percentage of outstanding shares
Hemen Holding Limited	183 666 158	41.06%
Skagen Kon-Tiki	22 068 848	4.93%
Euroclear Bank S.A	16 022 220	3.58%
Goldman Sachs & Co	5 017 451	1.12%
Citibank N.A New York Branch	3 782 098	0.85%
Clearstream Banking s.a	3 642 373	0.81%
Carling	3 450 000	0.77%
Credit Suisse Securities	3 005 695	0.67%
Swedbank	2 845 067	0.64%
Odin Maritim	2 750 000	0.61%
JP Morgan Clearing Corp.	2 718 142	0.61%
Verdipapirfondet Dnb Navigator	2 678 693	0.60%
Jp Morgan Chase Bank	2 669 760	0.60%
Dnb Nor Bank ASA	2 587 802	0.58%
ML Pierce Fenner & Smith	2 583 269	0.58%
JP Morgan Clearing Corp.	2 327 418	0.52%
Danske bank A/S	2 324 825	0.52%
Seb Sto, Securities Finance SSIB	2 150 000	0.48%
KLP aksje Norge indeks VPF	2 017 304	0.45%
Tofte	2 000 000	0.45%
Total 20 largest shareholders	270 307 123	60.44%
Other shareholders	176 954 673	39.56%
Total	447 261 796	100.00%

Hemen Holding Ltd, or Hemen, is a Cyprus holding company, the shares of which are held in trusts established by Mr. John Fredriksen for the benefit of his immediate family. Farahead Investments Inc., a company indirectly controlled by trusts affiliated with Mr. John Fredriksen and his family, has borrowed 70,000,000 shares from Hemen Holding Ltd. For the purpose of this overview these shares are consolidated and presented as ownership of Hemen Holding Ltd.

20. OTHER RESERVES

Other reserves represent own shares acquired to be held as treasury shares, the gain or loss arising from the change in the fair value of available-for-sale financial assets (note 18) and the equity component of convertible bonds issued (note 29). Other reserves are broken down between the three categories as follows:



<i>(in thousands of \$)</i>	Treasury shares	Marketable Securities (change in fair value)	Convertible Bonds (equity component)	Other	Total
At January 1, 2011	-	6 871	16 635		23 506
Other comprehensive income (loss)	-	(6 871)	-	-	(6 871)
Purchase of treasury shares	(2 465)	-	-	-	(2 465)
Currency translation	-	-	-	(61)	(61)
At December 31, 2011	(2 465)	-	16 635	(61)	14 110
At January 1, 2012	(2 465)	-	16 635	(61)	14 110
Purchase and cancellation of treasury shares	2 465	-	-	-	2 465
Other comprehensive income (loss)	-	-	-	60	60
At December 31, 2012	-	-	16 635	(1)	16 635

21. LONG-TERM DEBT

<i>(in thousands of \$)</i>	2012	2011
Within one year	68 733	62 962
Between one and two years	115 343	43 620
Between two and five years	196 163	390 053
After five years	16 940	24 700
Total debt	397 179	521 335
Current portion	(68 733)	(62 962)
Long-term debt, nominal value	328 446	458 373
Deferred transaction costs	(4 013)	(2 988)
Long-term debt, net	324 432	455 385

All debt, \$397.2 million (2011:\$513.8 million) is secured by mortgages over vessels and vessel under construction.

The Company reports broker values for all mortgaged vessels quarterly to the lenders. The loan facilities have a minimum value covenant for each facility, where the aggregate market value of the vessels must exceed the aggregate value of outstanding loan by a certain ratio. During the year, the Company has made extraordinary down payments amounting to \$86.1 million to stay in compliance with the minimum value covenants in our loan agreements, as the reported broker values has decreased quarter by quarter throughout the year. The Company also paid \$7.5 million in January 2013 (January 2012:\$18.0 million) based on year end broker values. The amount is classified as short term debt.



Long-term debt and finance lease liabilities

<i>(in thousands of \$)</i>	2012	2011
Non-current		
Bank borrowings	324 432	455 385
Finance lease liabilities	118 055	124 859
	442 487	580 244
Current		
Bank borrowings	68 733	55 422
Convertible bond	-	7 540
Finance lease liabilities	6 837	6 426
	75 570	69 388
Total borrowings	518 057	649 632

The short term debt includes \$7.5 million in extraordinary down payments under the loan facilities during the first quarter 2013 in order to stay in compliance with the minimum value covenants as per December 31, 2012. All debt is in US Dollars (\$), at LIBOR plus a fixed margin of average 2.68% and is mainly repriced on a monthly basis.

The Convertible Bond expired in December 2012. Part of the outstanding amount was repurchased by the Company in September 2012 at 99 cent to par value, while the remaining was paid out at maturity. The Company is now financed through bank borrowings only.

All debt related to the four cancelled newbuildings has been classified as short term debt as it falls due once refund is received.

22. OBLIGATIONS UNER FINANCE LEASES

<i>(in thousands of \$)</i>	Within one year		2-5 years		6-10 years		Total	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Minimum Lease Payments								
Interest	8 096	8 597	32 323	28 950	8 450	15 245	48 868	52 791
Purchase option	-	-	55 017	34 110	33 550	54 739	88 567	88 849
Instalments	6 837	6 426	24 388	28 843	5 100	7 167	36 325	42 436
Total Minimum Lease Payments	14 933	15 023	111 728	91 903	47 100	77 151	173 760	184 076
Present Value of Lease Obligations							124 892	131 285
Current portion							6 837	6 426
Non-current portion							118 055	124 859

It is the Group's practice to lease certain vessels under finance leases. The average remaining lease term is 5 years (2011: 6 years). The discount rate used to calculate the present value of minimum lease payment was 7 percent (2011: 7 percent), using the implicit rate of the lease. All leases are on a fixed repayment basis.

The Group has recorded finance leases on four vessels at December 31, 2012 (December 31, 2011: four vessels). The Group has a purchase option and the exercise price of the option changes based upon the date the option is exercised. The table below lays out the approximate exercisable dates and purchase option amounts, based on the date the purchase options are expected exercisable, and the first lease renewal date.



<i>(in thousands of \$)</i>	Purchase option expected exercisable date	Purchase option amount	Lease renewal date
Golden Lyderhorn	September 2016	11 500	September 2016
Ocean Minerva	January 2018	21 052	January 2015
Golden Heiwa	March 2017	22 465	March 2015
Golden Eclipse	April 2020	33 550	April 2020

The purchase option exercise prices at the final exercise date for Ocean Minerva and Golden Heiwa are denominated in JPY, and are JPY 1.64 billion and JPY 1.75 billion respectively. The purchase option amount in USD above is based on the exchange rate at September 30, 2012. The same purchase option exercise prices based on the exchange rate at December 31, 2012 would have been \$17.6 million related to Ocean Minerva and \$18.7 million on Golden Heiwa. The Company reassessed the likelihood of exercising the purchase option denominated in JPY. The Company assumes to be redelivering the vessels at the end of the charter period. The JPY lease liabilities relating to the purchase options are therefore considered non-monetary liabilities and are translated at the historical exchange rate at the date the reassessment was made (shown in the table above).

The lease payments for the other vessels are denominated in US Dollars. The Group's finance lease obligations are secured by the lessor's title to the leased assets.

All lease payments are denominated in US Dollars. The Group's finance lease obligations are secured by the lessor's title to the leased assets.

23. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Frontline Ltd and its subsidiaries and Ship Finance International Limited and its subsidiaries, are related parties due to the significant influence of a single shareholder.

Frontline Ltd provides the Group with certain administrative services under the terms of an administrative management contract relating to the Bermuda office. The Group also pays Frontline a fixed fee of \$24 000 per owned vessel per year for technical management. In the year ended December 31, 2012, the Group was charged \$473 000 (2011:\$388 000) under this arrangement. The Group also pays Frontline for supervision of the vessels under construction and the Group was charged \$3.0 million (2011:\$3.3 million) under this arrangement. The Group has administrative expenses related to the London office of \$149 000 (2011:\$196 000).

On January 1, 2005 the Company entered into an agency agreement with Frontline whereby it provides chartering services in relation to Frontline's fleet of oil/bulk/ore carriers. Frontline pays the Company a fixed amount per vessel for charters arranged under this agreement. During the year \$62 000 (2011: \$81 000) was charged in respect of the agency agreement.

In September 2010, the Company entered into a commercial agreement with Ship Finance international Limited, to both operate and report the account for the company's dry-bulk vessels. During the year the Company has received \$866 000 in respect of this agreement.

The Group has the following year end balances with related parties:

<i>(in thousands of \$)</i>	Amounts owed to related parties	
	2012	2011
Frontline Ltd and subsidiaries	1 328	655
Total	1 328	655



The amounts outstanding are unsecured, bear no interest, and will be settled in cash. No guarantees have been given or received.

No expense has been recognized in the period for any allowances for credit losses in respect of the amounts owed by related parties.

Remuneration of key management personnel and directors

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Group, as a non EU country company, is not required to report director fees separately per person (NUES).

The remuneration of directors and CEO of Golden Ocean Management AS during the year was as follows:

<i>(in thousands of \$)</i>	2012	2011
Managing director	730	583
Director fees	270	292
Share based payments	91	73
Total	1 091	948

The managing director has in 2012 received a one time compensation amounting to \$121 000 related to corrections for previous years pension payments.

The table below shows the total number of shares owned directly or indirectly by the CEO of Golden Ocean Management AS and directors as at December 31, 2012.

	Number of shares	Percentage of outstanding shares
John Fredriksen (Chairman, CEO, President and Director)	*	*
Tor Olav Trøim (Director)	584 982	0.13%
Kate Blankenship (Director)	206 000	0.05%
Hans Christian Børresen (Director)	106 000	0.02%
Herman Billung (CEO)	100 000	0.02%
	996 982	0.21%

* Hemen Holding Ltd, or Hemen, is a Cyprus holding company, the shares of which are held in trusts established by Mr. John Fredriksen for the benefit of his immediate family. Mr. Fredriksen disclaims beneficial ownership of the 183,666,158 ordinary shares held by Hemen. This is equivalent to 41.06 per cent of the outstanding shares.

24. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

<i>(in thousands of \$)</i>	2012	2011
Trade payables	1 473	1 707
Accruals	5 822	6 886
Deferred revenue	32 037	8 644
Other current liabilities	3 378	6 434
Total	42 710	23 672

The Company received \$25.0 million dollars as deferred revenue during the fourth quarter from one charterer. The amount relates to prepaid charter hire for 1 year for five vessels.



Deferred revenue relates to time charter revenue received in advance for future periods. Other current liabilities include non-current pension obligations of \$1.6 million (2011:\$1.1 million).

The Group has not recognized contingent liabilities in respect of legal claims arising in the ordinary course of business.

25. CAPITAL COMMITMENT

<i>(in thousands of \$)</i>	Within one year		2-5 years		Total	
	2012	2011	2012	2011	2012	2011
Vessels under construction	93 270	172 708	-	52 020	93 270	224 728

The capital commitment for the Company is related to four vessels from Jinhaiwan and one vessel from Pipavav (delivered in January 2013). The unfinanced vessels were \$53.6 million at the end of the year, related to the two last vessels from Jinhaiwan Shipyard.

26. OPERATING LEASES

Rental expense

The future minimum rental payments under the Group's non-cancellable operating leases as of December 31, 2012 are as follows:

<i>(in thousands of \$)</i>	2012	2011
Within one year	10 440	10 774
In the second to fifth years	6 238	14 378
Total minimum lease payments	16 678	25 152

Total rental expense for the year ended December 31, 2012 for operating leases was \$29.7 million (2011:\$72.6 million).

Rental income

The future minimum revenue to be received under the Group's non-cancellable operating leases as of December 31, 2012 is as follows:

<i>(in thousands of \$)</i>	2012	2011
Within one year	117 939	156 805
In the second to fifth years	198 164	399 849
Later than five years	55 740	180 695
Total minimum lease revenue	371 843	737 349

Total rental income for operating leases was \$227.1 million for the year ended December 31, 2012 (2011:\$316.3 million).

The reduction in rental income beyond 2012 is related to the cancelled newbuilding contracts at Jinhaiwan, where the charter has been cancelled at the same time, as well as default from Sanko Steamship.

27. SHARE BASED PAYMENTS

Equity settled share option scheme

On March 21, 2005 the Company approved a share option plan under which share options may be granted to directors and eligible employees. The plan has a limited term of ten years.

During the term of the plan the Board may grant options to acquire the Company's shares at a subscription price that the Board shall resolve, provided that such price is not lower than the average of the middle market quotations of the shares as derived from the Oslo Stock Exchange (or any stock exchange on which the Company's shares are traded) for the three immediately subsequent dealing days on that Exchange, and the nominal value of \$0.10.

The Company issued 4,500,000 share options in October 2012 (2011:nil) to certain of the Company's Directors and employees. At the same time the share option program issued in July 2010 for 2,750,000 options was cancelled. The share options have been granted on the terms set forth in the Company's above approved Share Option Plan. The new share options will have a five year term and will vest equally one quarter each year over a four year vesting period with the first quarter vesting in October 2013. The cancellation and reissue of share options discussed above is treated as modification of share options.

For the new options granted the fair value for the options was calculated to NOK 2.79 per share at the date of grant. The stock options were valued based on the Black-Scholes option pricing model. The options were granted at NOK 4.60 per share and the stock price at the day of grant was NOK 4.16. The duration of the options is for five years and the Company therefore used the five year NOK risk free interest rate (government bonds), at 1.45%. There is no trading of options in the Golden Ocean share so the volatility was based on the last five year history on the share price, and a volatility of 88% was applied to the calculations. The strike price will be adjusted for dividends going forward. The employees must still be employed in the Company when exercising the options and based on the historically low turnover rate in the Company the model assumes that all employees will remain employed at the Company when the options are exercisable. For the options that were cancelled the remaining life was four years and the Company therefore applied a four year risk free interest rate (at 1.46%) and four years history to calculate the historic volatility (at 92.2%). For these options the additional cost was calculated as the value of new options (calculated as described above) less the current value of the cancelled option. The incremental fair value of the modified options was at NOK 0.61 per option.

Details of the share options outstanding during the year are as follows:

	2012		2011	
	Number of share options	Weighted average exercise price USD	Number of share options	Weighted average exercise price USD
At the beginning of the year	4 062 500	1.6	4 062 500	1.72
Granted during the year	4 500 000	0.83	-	-
Cancelled during the year	(2 750 000)			
Expired during the year	(812 500)			
Exercised during the year	-	-	-	-
Outstanding at the end of the year	5 000 000	0.91	4 062 500	1.6
Exercisable at the end of the year	500 000	1.66	1 145 833	2.08

The outstanding options at the end of 2012 have a weighted average remaining contractual life of 4.5 years (2011: 3.7 years). There were no new options exercised in 2012 (2011: nil) and the options given to certain employees in 2007 expired during the year. The Company's shares are traded on the Oslo Stock Exchange in Norwegian Kroner ('NOK'). All share option calculations have been made in NOK and converted at the exchange rate prevailing at the balance sheet date.



The Group recognized total expenses of \$989 000 (2011:\$982 000) relating to equity settled share-based payment transactions during the year.

The share option scheme is the only share based payments granted to Directors and employees of the Company.

28. PENSION PLAN

The Group has a defined benefit pension plan in NOK that covers 12 (2011:12) of total 16 employees (2011:16), as of December 31, 2012. The majority of the plan administration is handled by a third party insurance company.

The primary beneficiaries are residents of Norway and they are entitled to approximately 70 percent of their last year's salary at a retirement age of 67 years. The pension is transferable on death of the employee to the spouse or children up to a maximum of 60 percent of the employee's original benefit. The actuarial report is prepared on December 11, 2012. The actuarial report is performed on assumptions from the Groups Management which are also in line with NRS and insurance broker's recommendations as per January 1, 2013.

The cost in consolidated income statement is \$690 000 (2011: \$500 000). The net obligations of \$1.6 million (2011:\$1.1 million) are included under other current liabilities.

29. FINANCIAL INSTRUMENTS

<i>(in thousands of \$)</i>	Loans and receivables	Derivative financial instruments	Available- for-sale	Total
At December 31, 2012				
Assets as per balance sheet				
Trade and other receivables excluding pre-payments (note 17)	16 629	-	-	16 629
Refundable installments for cancelled newbuildings	100 325	-	-	100 325
Cash and cash equivalents	112 537	-	-	112 537
Total	229 491	-	-	229 491

<i>(in thousands of \$)</i>	Loans and receivables	Derivative financial instruments	Available- for-sale	Total
At December 31, 2011				
Assets as per balance sheet				
Available-for-sale financial assets	-	-	33 330	33 330
Trade and other receivables excluding pre-payments (note 17)	24 038	-	-	24 038
Cash and cash equivalents	138 284	-	-	138 284
Total	162 322	-	33 330	195 652



(in thousands of \$)			
	Derivative financial instruments	Other financial liabilities at amortised cost	Total
At December 31, 2012			
Liabilities as per balance sheet			
Borrowings incl. deferred charges (excl. finance lease liabilities) (note 21)	-	393 165	393 165
Finance lease liabilities	-	124 892	124 892
Derivative financial instruments (interest swap)	7 782	-	7 782
Trade and other payables excluding non-financial liabilities (note 23,24)	-	12 001	12 001
Total	7 782	530 058	537 840

(in thousands of \$)			
	Derivative financial instruments	Other financial liabilities at amortised cost	Total
At December 31, 2011			
Liabilities as per balance sheet			
Borrowings incl. deferred charges (excl. finance lease liabilities) (note 21)	-	518 347	518 347
Finance lease liabilities	-	131 285	131 285
Derivative financial instruments (interest swap)	5 719	-	5 719
Trade and other payables excluding non-financial liabilities (note 23,24)	-	15 683	15 683
Total	5 719	665 315	671 034

Financial Risk Management

Through its activities the Group is exposed to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group makes use of derivative financial instruments such as foreign exchange forward contracts and interest rate swaps to moderate certain risk exposures.

Market risk

Interest Rate Risk

The Group's interest-bearing financial assets and liabilities make the Company exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows.



Breakdown of long-term debt with average effective interest rates:

<i>(In thousands of \$)</i>	2012		2011	
	Loan amount	Average interest rate	Loan amount	Average interest rate
Loan on vessels	345 820	3.04%	444 950	3.61%
Loans on vessels under construction	47 345	5.19%	65 857	4.52%
Convertible bond	-	6.58%	7 540	5.98%
Total	393 165		518 347	

Breakdown of cash and cash equivalents with average effective interest rates:

<i>(In thousands of \$)</i>	2012		2011	
	Amount	Average interest rate	Amount	Average interest rate
Current accounts	84 859	0.09%	66 724	0.08%
Short-term deposits	19 500	1.11%	60 000	0.66%
Restricted cash	8 178	0.09%	11 560	0.08%
Total	112 537		138 284	

Cash and cash equivalents and long-term debt (excluding convertible bonds) bear interest at LIBOR plus a fixed margin. The LIBOR is fixed mostly for one month periods. Debt issued at variable rates expose the Group to cashflow interest rate risks which is partially offset by the cash held at variable rates.

The Group's debt at variable rate was denominated in US Dollars for both 2012 and 2011.

The convertible bonds recognized in the balance sheet are calculated as follows:

<i>(in thousands of \$)</i>	2012	2011
At January 1	7 540	7 386
Interest expense	252	433
Interest paid	(92)	(279)
Repurchase and repayment of convertible bond	(7 700)	-
Liability component at December 31	0	7 540

If interest rates as of December 31, 2012 and December 31, 2011 had increased / decreased by 1% with all other variables remaining constant, the decrease / increase in profit would have been \$4.0 million (2011:\$4.0 million) mainly as a result of higher/lower interest expense on floating rate long-term debt. Interest directly attributable to the construction of vessels is capitalized and has no effect on profits. If interest rates had increased/decreased by 1% the effect on the amount capitalized would be \$566 000 (2011:\$900 000).

The sensitivity is lower in 2012 than in 2011 because of a decrease in long-term debt attributable to vessels under construction and minimum value clause down-payments.

The Group's chief financial officer monitors the sensitivity to the interest rates on a regular basis as part of her role.

Currency Risk

The value of monetary assets and liabilities denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. The majority of the Group's financial assets and liabilities are denominated in US Dollars and at December 31 2012, the only material assets and liabilities denominated in foreign currencies are financial lease obligations that have purchase options in JPY for M/V Golden Heiwa and M/V Ocean Minerva (note 22).



The Group monitors its exposure to currency risk on a regular basis. The Group can use forward foreign exchange contracts to mitigate currency risk for the Norwegian management Company when it finds it beneficial.

At December 31 2012, had the exchange rate between the US Dollar and the Norwegian Kroner increased or decreased by 5 percent with all other variables held constant, the decrease or increase respectively in net assets would not be material.

Equity Price Risk

The Group has from time to time invested in marketable securities in shipping stocks on different stock exchanges, to take advantage of market movements in the equity markets.

All marketable securities present a risk of loss of capital. The Group moderates this risk through a careful selection of securities. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Group's overall market positions are monitored on a quarterly basis. The Group's maximum exposure to risk at the balance sheet date is \$ nil (2011:\$33.3 million).

Commodity Price Risk

The Group is exposed to commodity price risk through derivative contracts on freight and bunkers. The Group takes positions from time to time in the freight forward market, either as a hedge to a physical contract or as a speculative position. The value of the freight forward agreements is booked mark to market through the income statement. The Company enters into cargo contracts from time to time. The Company is then exposed to fluctuations in bunker prices, as the cargo contract price is based on an assumed bunker price for the trade. The Group has a policy to hedge all bunker exposure and uses bunker derivatives to hedge this risk. There is no guarantee that the hedge removes all the risk from the bunker exposure, due to possible differences in location and timing of the bunkering between the physical and financial position. The value of the bunker contracts is booked mark to market over the income statement.

Credit Risk

The Group is exposed to credit risk, inherent in the risk that a counterparty will be unable to perform under the time and voyage charter contracts and unable to pay amounts in full when due. Allowances are made for credit losses that have been incurred by the balance sheet date, if any. The maximum exposure to credit risk on cash and cash equivalents and trade and other receivables (ignoring collateral and credit quality) at December 31, 2012 was \$235.6 million (2011:\$168.6 million).

Concentration of credit risk exists to the extent that at December 31, 2012 approximately 63% of cash and cash equivalents were held with two financial institutions with credit ratings according to Standard & Poor's of A+ or better:

The Group has the following derivative financial instruments:

Counterparty	Rating	Geographical segment	2012	2011
<i>Cash and cash equivalents</i>				
Nordea	AA-	Norway	41 811	60 455
Skandinaviska Enskilda Banken (SEB)	A+	Norway	29 220	57 744
DnB	A+	Norway	17 500	-
ABN Bank	A+	Netherland	11 774	2 654
Fokus bank	A	Norway	4 431	11 795
Other		Norway	7 801	5 636
			112 537	138 284

In addition concentration of credit risk exists to the extent that amounts of \$0.5 million represent 28% of trade receivables are due from one counterpart. The Group has collected the full amount subsequent to the balance sheet date.



If there is no independent rating on the customers, the credit control department assesses the credit quality of the counterparty taking into account its financial position, past experience and other factors.

Given the current economic crisis and the number of counterparty defaults worldwide, the Group monitors the exposure to credit risk on a daily basis and manages risk by concentrating on chartering activities with a number of major shipping companies and financially strong counterparties and placing bank deposits with blue-chip financial institutions.

Liquidity Risk

The table below analyses the Group's long-term debt into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual principal repayments.

<i>(in thousands of \$)</i>	2012	2011
Within one year	68 733	62 962
Between one and two years	115 343	43 620
Between two and five years	196 163	390 053
After five years	16 940	24 700
Total debt	397 179	521 335
Current portion	(68 733)	(62 962)
Long-term debt, nominal value	328 446	458 373
Deferred transaction costs	(4 013)	(2 988)
Long-term debt, net	324 432	455 385

The table below analyses the Group's long-term interest obligations:

<i>(in thousands of \$)</i>	Within one year	Between one and two years	Between two and five years	After five years	Total
Long-term debt	20 033	19 683	31 020	9 041	79 777
Total	20 033	19 683	31 020	9 041	79 777

The interest obligations are calculated by using 4 year interest swap (0.61) plus margin of 2.68 that gives total interest rate cost of 3.29%.

The table below analyses the Group's obligations under finance leases into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows (note 22).

<i>(in thousands of \$)</i>	2012	2011
Within one year	14 933	15 023
Between two and five years	111 728	91 903
Between six and ten years	47 100	77 151
Total	173 760	184 077

Cash of \$8.2 million (2011:\$11.6 million) has been restricted. A deposit of \$2.0 million is related to minimum value covenants clause in one of the loan facilities. \$3.9 million is related to deposits on trading in financial instruments, \$1.0 million is a deposit for customer claim, \$0.2 million for employee taxes and the remaining \$1.1 million is a deposit for a tender bid.

The Group's finance department monitors the liquidity position of the Group on a regular basis between each loan drawdown and repayment period, to ensure sufficient funds are available.

The Group is considered to be able to cover all the short term liabilities and other cash requirements.

**Fair value estimation**

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2012:

<i>(in thousands of \$)</i>	Level 1	Level 2	Total
At December 31, 2012			
Assets			
Available-for-sale financial assets	-	-	-
Total assets	-	-	-
Liabilities			
Derivative financial instruments (interest swap)	-	7 782	7 782
Total liabilities	-	7 782	7 782

<i>(in thousands of \$)</i>	Level 1	Level 2	Total
At December 31, 2011			
Assets			
Available-for-sale financial assets	33 330	-	33 330
Total assets	33 330	-	33 330
Liabilities			
Derivative financial instruments (interest swap)	-	5 719	5 719
Total liabilities	-	5 719	5 719

Level 1 is the fair value of financial instruments traded in active markets based on quoted market prices at the balance sheet date. Level 2 is defined as inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair value of financial instruments that are not traded in an active (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

30. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Board intends to return capital to shareholders either through dividends or share buyback. Golden Ocean operates in a cyclical industry, and the Boards' decision to pay out dividend or repurchase shares is therefore always considered in view of the Companies debt service requirements due in the short term, future capital expenditure requirements and management's expectation about the future cash inflows. The amount paid out in dividends is also a function of the general market environment and view on counterparty issues. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors the available cash and projected cash flow based on various scenarios for vessel revenues going forward. Subsequently, the Group focuses on being in compliance with covenants in relation to the various loan facilities.

31. DIVIDENDS PAID AND PROPOSED

<i>(in thousands of \$)</i>	2012	2011
<i>Declared and paid during the year</i>		
Final dividends from previous year	-	22 850
First interim dividend	-	18 280
Second interim dividend	-	9 140
Third interim dividend	-	42
	-	50 312
<i>Proposed but not recorded</i>		
Final dividend for the year	-	0

The Group paid dividend of \$0.11 per share in 2011.

The Board of Directors decided to not distribute dividends from the middle of 2011 in order to retain cash that may be required for down payment in relation to the loan facilities, and to cover capital expenditure for the newbuilding program.

32. SUBSIDIARY COMPANIES

The following are the Company's active subsidiaries as at December 31, 2012:



Name	Country of residence	Ownership interest
Front Carriers Ltd	Liberia	100 %
Golden Beijing Inc	Liberia	100 %
Golden Brilliant Inc	Liberia	100 %
Golden Crystal Inc	Liberia	100 %
Golden Dena Corporation	Liberia	100 %
Golden Diamond Inc	Liberia	100 %
Golden Eclipse Inc	Liberia	100 %
Golden Effort Inc	Liberia	100 %
Golden Emerald Inc	Liberia	100 %
Golden Eminence Inc	Liberia	100 %
Golden Empress Inc	Liberia	100 %
Golden Endeavour Inc	Liberia	100 %
Golden Endurer Inc	Liberia	100 %
Golden Enterprise Inc	Liberia	100 %
Golden Excalibur	Liberia	100 %
Golden Excellence Inc	Liberia	100 %
Golden Explorer Inc	Liberia	100 %
Golden Express	Liberia	100 %
Golden Exquisite	Liberia	100 %
Golden Extreme Inc	Liberia	100 %
Golden Eye Inc	Liberia	100 %
Golden Feng Inc	Liberia	100 %
Golden Gunn Corporation	Liberia	100 %
Golden Hilton Shipping Corporation	Liberia	100 %
Golden Ice Inc	Liberia	100 %
Golden Nantong Inc	Liberia	100 %
Golden Opportunity Inc	Liberia	100 %
Golden Pearl Inc	Liberia	100 %
Golden President Shipping Corporation	Liberia	100 %
Golden Saguenay Inc	Liberia	100 %
Golden Sapphire Inc	Liberia	100 %
Golden Shui Inc	Liberia	100 %
Golden Strength Inc	Liberia	100 %
Golden Zhoushan Inc	Liberia	100 %
Golden Ocean Management Asia Pte Ltd	Singapore	100 %
Golden Ocean Management AS	Norway	100 %
Golden Ocean Group Management (Bermuda) Limited	Bermuda	100 %
Golden Ocean (Cyprus) Limited	Cyprus	100 %
Golden Ocean Trading Limited	Bermuda	87,81 %

The accounts of Golden Ocean Management AS are prepared in Norwegian Kroner, and the accounts of Golden Ocean Management Asia Pte. Ltd. are prepared in Singapore Dollars. At December 31, 2012 the foreign exchange on conversion to US Dollars is not material and has been recognized in the income statement.

33. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of directors and authorized for issue on March 21, 2013.



34. SUBSEQUENT EVENTS

In January 2013, one Panamax vessel, Golden Brilliant, has been delivered to the Group from Pipavav Shipyard.

In January 2013, the Company cancelled a newbuilding contract with a book value of \$42.6 million, related to the Capesize vessel under construction at Jinhai Heavy Industry Co., Ltd. Management expects refunds to exceed recognized amount.

To the shareholders and Board of Directors of Golden Ocean Group Limited

Independent auditor's report

We have audited the accompanying consolidated financial statements of Golden Ocean Group Limited and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2012, the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Oslo, March 21, 2013
PricewaterhouseCoopers AS



Fredrik Melle
State Authorized Public Accountant (Norway)

**RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS AND PRESIDENT/CEO.**

We confirm, to the best of our knowledge that the financial statement for the period January 1 to December 31, 2012 has been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and loss of the group taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties facing the group.

Hamilton, Bermuda, March 21, 2013

The Board of Directors of Golden Ocean Group Limited

BY: /s/ John Fredriksen
John Fredriksen
President, CEO and Chairman

BY: /s/ Tor Olav Trøim
Tor Olav Trøim
Vice President and Director

BY: /s/ Kate Blankenship
Kate Blankenship
Director

BY: /s/ Hans Christian Børresen
Hans Christian Børresen
Director

BY: /s/ Cecilie Fredriksen
Cecilie Fredriksen
Director



CORPORATE GOVERNANCE STATEMENT 2012

Golden Ocean Group Limited (the "**Company**") is a limited company incorporated under the laws of Bermuda. The Company's registered office is in Bermuda.

The Company's shares are listed on the Oslo Stock Exchange. As a result, the Company is required to publish an annual statement on the Company's principles for corporate governance with the Norwegian Code of Practice for Corporate Governance (the "**Code**"). The Code is published on the website of the Oslo Stock Exchange: www.ose.no. The Code is a non binding recommendation which all companies listed on the Oslo Stock Exchange are required to relate to on a "comply or explain" basis.

The primary corporate governance rules to which Golden Ocean Group Limited is subject are those that follow from applicable Bermuda company law and its bye-laws. The latter are available on the Company's website, www.goldenocean.bm.

The Company's shares are listed both on the Oslo Stock Exchange (primary listing) and the Singapore Stock Exchange (secondary listing). The Company is therefore also subject to various corporate governance requirements in Norwegian and Singapore law.

Being subject to the corporate governance regulations of two jurisdictions other than Norway means that the Company's governance principles, in several areas, differ from that required by the Code.

Golden Ocean Group Limited's corporate governance policies are explained below in relation to the Code.

Corporate Governance

The board of Golden Ocean Group Limited (the "**Board**") has implemented a code of business ethics and conduct applying on the Company's operation. The code identifies honesty, respect and co-operation as the Company's core values, and requires that these are applied in the employees' behaviour towards competitors, suppliers, shareholders and the market in general. The Board believes that the principles the Company adhere to in this respect reflect a sound ethical standard.

Business

The business of Golden Ocean Group Limited and its subsidiaries (the "**Group**") is dry bulk shipping. The Company's annual report includes a more specific description of the Group's business, including the overall objectives and current strategy of the Company. The Company's annual report can be accessed at the Company's website.

Equity and dividend

Bermudian companies have an authorized and an issued share capital. The authorized share capital is the amount up to which the Board is authorized to issue shares. The bye-laws of the Company (bye-law 12) state that any unissued shares of the authorised capital shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons at such times and for such consideration and upon such terms and conditions as the Board may determine. There is therefore, in accordance with Bermudian corporate law and the Company's Bye-Laws, no time limit on the Board's authority to issue shares up to the maximum authorized capital.

As at December 31, 2012 the issued share capital of Golden Ocean Group Limited was US \$ 44,726,179.60, represented by 447,261,796 shares of USD 0.10 par value.

At present, the Board is authorized by the Company's general meeting to issue up to 5,000,000,000 shares in the Company with a par value of US\$ 0.10.

Accordingly, the Board has the authority to issue a further 4,552,738,204 shares.



Bermudian law allows a company to repurchase its own shares for cancellation or to be held as treasury shares. This right is reflected in the Company's bye-laws (bye-laws 9, 10 and 11). Unlike the situation in Norwegian law, which restricts a company's holding of treasury shares to 10% of the total shares in issue, and limits the duration of any authority granted to a board to resolve to acquire its own shares to a period of 18 months, there is no time limit within which any repurchase of shares by the Company needs to take place under Bermudian law. A Bermuda company cannot, however, repurchase its shares if there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due. If the Company purchases its own shares, the consideration may (i) be paid in cash, (ii) be satisfied by the transfer of any asset or property to the Company, or (iii) a combination of (i) and (ii).

The Company's bye-laws 118 to 124 (inclusive) deal with dividends and other payments to shareholders and authorize the Board to declare cash dividends or distributions. Further, they allow the Company to pay a fixed cash dividend half yearly or on other dates. Bermudian law permits the Company to declare interim dividends out of profits and retained earnings. This differs from the position of a Norwegian public limited company which is not permitted to do this.

The Company has not adopted a fixed dividend policy. The Board believes, given the nature of the Company's business, that this is appropriate. The Company's goal is to maximize shareholder return, by distribution or appreciation of the value of its shares. Dividend payments will depend on the Company's financial situation, need for working capital and investments or acquisition possibilities from time to time.

Equal treatment of the shareholders

As a listed company, the Company is obliged to comply with the information requirements of the Oslo and Singapore Stock Exchanges. All information relevant to the Company's share price is published to the market in Oslo through Hugin Connector and the Oslo Stock Exchange. This is also made available immediately at the Company's website. All public disclosures by the Company in Oslo are also published on the SGX Net.

The Company publishes all reports, presentations and dates for financial releases on its website.

Golden Ocean Group Limited has only one class of shares.

Shareholders in a Bermudian company do not have any preferred right to subscribe when new shares are issued. The Company's bye-laws (bye-law 49) allows the Company, by ordinary resolution of the shareholders, to direct that new shares (or any of them) shall be offered in the first instance, either at par or at a premium, (subject to the provisions of the Bermudian Companies Act) to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively, or make any other provision as to the issue of new shares. No such resolution is in place at present.

Golden Ocean Group Limited will, if acquiring its own shares, always do this through purchases on the Oslo Stock Exchange or the Singapore Stock Exchange at the prevailing stock exchange price.

The Company's policy is to enter into related party transactions solely on terms that are at least as favorable to the Company as those that can be obtained when contracting with an unrelated third party.

It follows from the Bermudian Companies Act that a director of the Company shall, at the first available opportunity, notify the Board of his interest in any material contract of the Company. Further, the Company's bye-laws contain (in bye-laws 95-100) specific provisions addressing director's interests.

Freely negotiable shares

Subject to Bermudian company law and the Company's bye-laws 38 to 42, inclusive, Golden Ocean Group Limited's shares are freely transferable.



The Company's bye-law 39 (ii) gives the Board the opportunity to refuse to approve to register the transfer of any shares if such transfer would be likely to result in 50% or more of the aggregate issued share capital of the Company being held or owned directly or indirectly by a person or persons resident for tax purposes in Norway.

Under the Company's bye-law 39 (ix) where a person or entity becomes the owner of more than 30% of the issued shares, the Board can refuse to approve to register the transfer of any shares if such transfer will result in the relevant shareholder becoming the holder of more than 30% of the Company's shares unless the acquirer makes an offer to purchase the remaining shares of the Company or agrees to sell part of the shares acquired to reduce the interest to below 30%.

The provision is similar to the mandatory bid rule in the Norwegian Securities Trading Act (which applies to the Company) but reflects a lower threshold (30% vs. 33.33%).

General meeting

The bye-laws of Bermudian companies are generally extensive and regulate in detail matters relating to the internal management and activities of the Company. The Company's bye-laws 57 to 88 (inclusive) deal extensively and in detail with matters concerning general meetings of the Company, including the rights of shareholders. These bye-laws regulate annual and special general meetings, notices of general meetings, proceedings at general meetings, voting rights, and requirements to proxies.

The Company's general meetings are open to all of the Company's shareholders, and are held on an annual basis (subject to any need for any additional special general meeting at any time). The notice period for both annual and special general meetings is, under bye-law 58, no less than 7 days which shall be provided in writing. This exceeds the statutory period of at least 5 days' notice, contained in section 75(1) of the Bermudian Companies Act.

Shareholders may exercise their vote in the general meeting through a representative or by proxy. Bye-law 87 permits the Board, subject to the Bermudian Companies Act, to waive any of the provisions of the bye-laws related to proxies or authorizations. In particular, the Board may accept verbal or other assurances as it thinks fit as to the right of any person to attend and vote on behalf of any shareholder at general meetings. All shares have equal voting rights. There are no restrictions on ownership nor is the Board aware of any shareholder agreements. (See further discussion below at "Change in Control, takeovers").

Nomination Committee

Golden Ocean Group Limited has no nomination committee. The Board is entitled to nominate candidates for election as directors. In addition, the shareholder(s) have a common law right under Bermuda law to put forward nominations. This common law right is modified by section 79 of the Bermuda Companies Act which provides a framework within which shareholder(s) may put resolutions before a general meeting. The independence of the Board is commented on under the section below headed Corporate Assembly and Board of Directors.

The Board will also propose candidates for election as auditors, in the case of a need for re-election, and also proposals concerning the level of remuneration for directors and senior management.

Corporate assembly and board of directors

Golden Ocean Group Limited does not have a corporate assembly. This is not required under Bermudian company law. Directors hold office until the annual general meeting following their election or until a successor is elected. The Company's bye-law 91 provides that the Company, in a special general meeting, may remove a director provided that notice of the special general meeting has been given to the director not less than 14 days before the special general meeting. The director is entitled to be heard at the special general meeting. The shareholders may elect a person to replace the director so removed

and, in the event they do not, the Board can appoint a director. The Board can appoint a new director to fill a casual vacancy until the annual general meeting.

The Company's bye-law 92 deals with resignation and disqualification of directors, and sets out certain events which would result in a director being disqualified, and thereby obligated to vacate his office. These include a director becoming of unsound mind, becomes bankrupt, or if he is prohibited by law from being a director.

The Board currently consists of five directors. Three of the directors, John Fredriksen, Tor Olav Trøim and Cecilie Fredriksen are not independent from Golden Ocean Group Limited's main shareholder, Hemen Holding Limited. Kate Blankenship and Hans Chr. Børresen are both independent.

The Board of Directors' work

The Board receives quarterly financial reports with comments on the Group's economic and financial status. The Board discusses strategy and investment opportunities in meetings held as and when required. The Board holds between four and six regular Board meetings each year. The Board attends to the organization of the Group, institutes plans and budgets and ensures that the Company's accounting and financial administration are in good order. The Board also actively supervises the day to day management of the Company's operations.

The Board can delegate its powers to committees under the Company's bye-law 103. The Company has appointed an audit committee as a sub-committee of the Board. The audit committee has meetings each quarter prior to the finalization of the quarterly reports.

Risk management and internal control

The Company has invested in a risk management system that constantly keeps track of the positions of all vessels under operation by the Group. The Board receives a weekly report which provides an overview of the open positions and the sensitivity related to changes in market conditions.

The Company has established an Internal Control system based on the framework of the Committee of Sponsoring Organizations of the Treadway Commissions (COSO). This has been reviewed by the Audit Committee and the management report on the status of the Internal Control to the Audit Committee every quarter.

Compensation to the Board of Directors and executive employees

Total remuneration to key management and directors appear in the annual report.

Golden Ocean Group Limited has no compensation committee. The Company's Bye-law 94 deals with directors' fees and additional remuneration and expenses. Directors' fees are determined by the Company by ordinary resolution and in the absence of a determination to the contrary in the general meeting, the Board determines the compensation of individual directors.

Golden Ocean Group Limited has not established any written guidelines for the remuneration of its executive management. Only immediate superiors are involved in the decision making process involving employment, pay, bonuses and incentives to employees. The remuneration to executive management is considered by the Company to be in line with market practice.

The day-to-day management of the Company is undertaken by Golden Ocean Management (Bermuda) Ltd. under the terms of a written management agreement. Golden Ocean Management AS (a Norwegian company in the Group), and Golden Ocean Management Asia Pte Ltd. (a Singapore company in the Group), acts as sub-contractors to Golden Ocean Management (Bermuda) Ltd. on the terms of written management agreements. The management and employees of these two companies are experienced and qualified to perform the management tasks allocated to them.



The Company operates a share option incentive program for the Group's directors and employees. The general terms of the share option program have been approved by the shareholders in a general meeting.

Information and communication

Information of relevance to the Company's share price is communicated through the Company's website. The Company's policy is to comply with all applicable standards aimed at securing a good information flow.

Golden Ocean Group Limited publishes its annual and quarterly reports at its website.

Change in Control, takeovers

The Board will, in the event of a takeover-bid, take such actions as are considered to be in the best interests of all of the shareholders. This will include providing the shareholders with an assessment of the bid and, if appropriate, seeking to identify a competing bidder.

If a take-over bid is made for Golden Ocean Group Limited's shares it is the opinion of the Board that the shareholders of the Company should be treated equally and provided with sufficient information and time to consider the same.

The Company's bye-law 39 (ix) provides the Board with the authority to refuse to approve of the transfer of any shares to a shareholder taking such shareholder's holding above 30% of all the Company's shares unless the acquirer makes an offer for the purchase all of the Company's issued shares, or sells some of shares so that the ownership is reduced to less than 30%.

This is a provision similar to the mandatory bid rule in the Norwegian Securities Trading Act but at a slightly lower threshold.

Auditor

The Company's independent auditor, appointed by its general meeting, is PricewaterhouseCoopers AS.

The Company employs the same auditing firm as all its subsidiaries. The auditor reviews the internal control system of the Group on a yearly basis and reports back to the Audit Committee. The auditor provides a statement to the Board via the Audit Committee each year in connection with the annual audit. The shareholders authorize the Board to set the auditor's remuneration in the annual general meeting.



Panamax ICE Class

Golden Ocean decided to invest in this niche segment in 2006 due to limited number of vessels with ice trading capabilities. The first vessels were ordered at Rongsheng in China, followed by Pipavav in India and Jinhaiwan in China.

The vessels are not designed to break ice, but will normally follow ice breakers. Consequently Golden Ocean is able to offer its customers trading in a harsher environment which could include trading outside Institute Warranty Limits (I.W.L.). As the Panamax is considered to be the work horse in the shipping segment she is fit to call most trading ports, and consequently major cargoes, in the world.

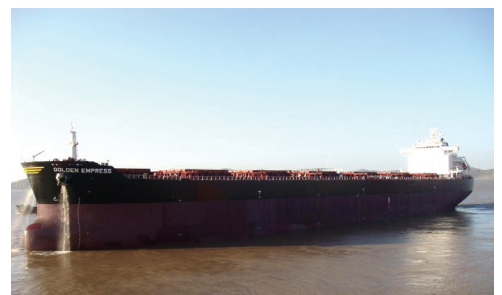


Kamsarmax Jinhaiwan

The Kamsarmax is a fairly new design, with same beam restriction as the Panamax (32,25 m), but due to its increased length this vessel class has a better cargo intake.

A typical Kamsarmax has a deadweight ranging between 80.000 and 85.000 dwt.

The Kamsarmax similar to the Panamax is considered to be a work horse within the gearless dry bulk trade. They carry most of the typical Panamax cargoes such as coal, grain, bauxite and alumina and the trading pattern is also similar to the Panamax.



Class information

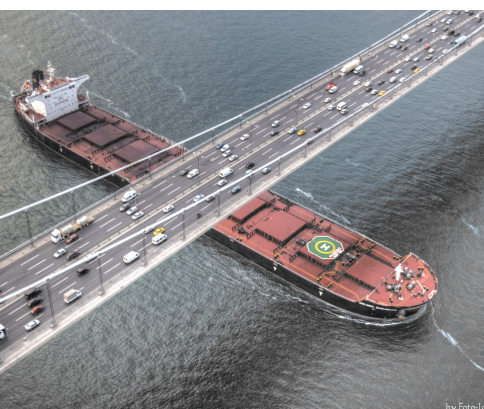
Cape Jinhaiwan

The Jinhaiwan Capesize is a well proven Capesize design which main task is to carry iron ore in bulk on a global basis.

Capesize vessels have reinforced tank tops enabling the vessel to carry heavy cargoes. Apart from iron ore the other major commodity being carried on board this type of vessel is coal; either for the utilities (energy) or for steel production (blast furnace).

The primary trading routes for iron ore are out of Australia and Brazil to the main steel producing countries like China, Japan, Europe and South Korea. The main coal exporting cape ports are located in Australia, South Africa and Colombia while the major receivers are located in Japan, China, South Korea and Europe.

Expansion plans in several ports will enable Capsizes to trade to new areas like India in the years to come.



Cape NKK

The NKK Capesize is a well proven Capesize design, which many present designs is developed from. Their main task is to carry iron ore in bulk on a global basis.

NKK Capesize vessels have reinforced tank tops enabling the vessel to carry heavy cargoes. Apart from iron ore the other major commodity being carried on board this type of vessel is coal; either for the utilities (energy) or for steel production (blast furnace).

The primary trading routes for iron ore are out of Australia and Brazil to the main steel producing countries like China, Japan, Europe and South Korea. The main coal exporting cape ports are located in Australia, South Africa and Colombia while the major receivers are located in Japan, China, South Korea and Europe.

Expansion plans in several ports will enable future developed NKK Capsize class to trade to new areas like India in the years to come.



Cape Daehan

The Daehan Capesize is a well proven Capesize design which main task is to carry iron ore in bulk on a global basis.

Capesize vessels have reinforced tank tops enabling the vessel to carry heavy cargoes. Apart from iron ore the other major commodity being carried on board this type of vessel is coal; either for the utilities (energy) or for steel production (blast furnace).

The origin of the segment name "Capesize" came from the fact that these vessels were too large in the past to transit through the Suez Canal. Instead they had to sail via Cape Good Hope in South Africa. Over the last 30 years a typical Capesize vessel has grown from 150.000 dwt to an average size today similar to our Daehan type.

The primary trading routes for iron ore are out of Australia and Brazil to the main steel producing countries like China, Japan, Europe and South Korea. The main coal exporting cape ports are located in Australia, South Africa and Colombia while the major receivers are located in Japan, China, South Korea and Europe.

Expansion plans in several ports will enable Capsizes to trade to new areas like India in the years to come.





GOLDEN OCEAN™



For more information about the Golden Ocean Group Ltd

Please click on the following links:

[Stock Information](#)

[Financial reports](#)

[Press releases](#)

[Company Events](#)

[Fleet](#)

[Image Gallery](#)

GOLDEN OCEAN GROUP LIMITED

PO Box HM 1593,
Par-la-Ville Place,
14 Par-la-Ville Road,
Hamilton HM 08 Bermuda
Phone: + 1 441 295 69 35
Fax: + 1 441 295 34 94

GOLDEN OCEAN MANAGEMENT ASIA PTE LTD

10 Hoe Chiang Road
#18-01 Keppel Towers
Singapore 089315
Phone: +65 6226 1926
Fax: +65 6293 3515

GOLDEN OCEAN MANAGEMENT AS

Bryggegata 3
P.O.Box 2005-Vika
0125 Oslo
Norway
Phone: + 47 22 01 73 40
Fax: + 47 22 01 73 59

IR Contact

Birgitte Ringstad Vartdal
Chief Financial Officer
Golden Ocean Management AS
+47 22 01 73 53 (dir.)
+47 97 96 20 57 (mobile)
Email: birgitte.vartdal@goldenocean.no