

## Quarterly update – Q3 2017

### Dry cargo improvements and gas carrier challenges

*“Despite continued dry cargo improvements in Q3, a balanced market is still some time away”, says CEO Mads P. Zacho, adding that “our largest gas carriers remained negatively impacted by the continued weak market conditions for the size segments above ours.”*

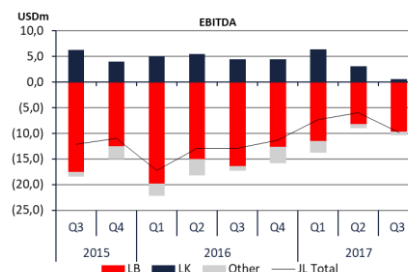
### Highlights

- Capital injection from our owner, Lauritzen Fonden, was received during Q3 and the outstanding JLA02 corporate bond and related hedging debt was subsequently repaid.
- Towards the end of Q2, a strategy revision was completed and during Q3 implementation of a series of strategic initiatives commenced.
- Our strategic ambition is to be the leading player within smaller gas tankers and dry bulk carriers building on our current strengths and competitive advantages.
  - Within Lauritzen Bulkers, we focus on the handysize segment where we have a proven track record and strong customers relations.
  - Within Lauritzen Kosan we will build on our existing tonnage and long-standing customer relations.
- Three handysize bulk carriers were taken on medium-term (up to two years) time-charter with options to extend. A smaller pressurized gas carrier was also taken on medium-term time-charter.

### Business performance

In Q3, average number of controlled bulk carriers reached 95 compared to 98 in Q3 2016 and average number of operated gas carriers reached 31 compared to 32 in Q3 2016.

Q3 EBITDA amounted to USDm (9.8) against USDm (12.9) in Q3 2016. The improvement was primarily due to the strengthening of dry cargo markets compared to the weak market conditions in 2016, however partially offset by weakened earnings for our gas carriers.



EBITDA for the first nine months of 2017 amounted to USDm (23.2), an improvement of USDm 19.9 compared to USDm (43.1) in the first nine months of 2016.

### Liquidity

At period end, cash amounted to USDm 139 compared to USDm 93 at 30 June 2017, mainly due to the USDm 80 capital injection from Lauritzen Fonden. Following the capital injection, the JLA02 corporate bond and related hedging debt was repaid in October 2017.

### Assets and liabilities

Total assets amounted to USDm 591 up from USDm 533 at 30 June 2017. Solvency ratio was 46%, compared 38% at 30 June 2017.

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