Interim financial information

Third Quarter 2012

November 22nd, 2012

Highlights

- Golden Ocean generates third quarter 2012 EBITDA before impairment* of $24.1 million
- Golden Ocean reports loss of $17.1 million for the third quarter of 2012
- The Company has in November 2012 cancelled two newbuilding contracts

*EBITDA before impairments is equal to operating profit plus depreciations (including impairment related to vessels) and amortisation.

Third Quarter and Interim Nine Months 2012 Results

Golden Ocean Group Limited (the "Company" or "Golden Ocean") reports loss of $17.1 million and loss per share of $0.04 for the third quarter of 2012. This compares with profit and earnings per share of $6.4 million and $0.01 respectively for the second quarter of 2012. Total operating revenues for the third quarter were $56.5 million, total operating expenses were $66.7 million and other gains/losses net were a gain of $0.6 million. Net financial items were negative with $7.4 million.

The Company reports a profit of $2.3 million and earnings per share of $0.00 for the interim nine months result of 2012. Total operating revenues were $174.0 million, total operating expenses were $152.5 million and other gain/losses net were negative with $1.3 million. Net financial items for the interim nine months result of 2012 were negative with $17.9 million.

The loss for the period of $17.1 million is a decrease of $23.5 million compared to last quarter. The operating revenues decreased by $7.5 million, and the operating expenses increased by $19.0 million. Total other gains/ (losses) net increased by $2.5 million. This leads to a reduction in net operating income of $24.1 million since the second quarter. The main difference between the quarters is that the Company has taken impairment on several vessels in a total of $25.2 million; this is $22.3 million more than in the second quarter. The Company's operating result before impairment is more or less in line with earlier quarters, due to the high contract coverage. The trading result is better in the third quarter, while the vessels trading spot had lower earnings. Other income was reduced since last quarter. The Company has booked revenue from Sanko on Golden Feng until end of August but has at the same time made a provision for the full amount, in total $6.2 million year to date. Net financial items increased by $0.6 million from last quarter.

The table below shows the split for some key numbers between the long term and the short term portfolio for the third quarter of 2012. Administrative expenses are not allocated. The long term portfolio is defined as owned vessels, long term time charter in contracts and bareboat vessels. The short term portfolio consists of the vessels, cargoes and derivatives that are entered into with a short duration.

(in millions of $)	Long term portfolio	Short term portfolio	Total
Total operating revenue	44.2	12.3	56.5
Total operating expenses (ex admin)	52.2	11.0	63.2
Total other gain/losses net	0.3	0.3	0.6
Operating profit (ex admin)	-7.7	1.6	-6.1
Admin expenses			-3.6
Operating profit			-9.7

Cash and cash equivalents decreased by $33.1 million during the quarter. The Company generated cash from operating activities of $18.7 million during the quarter. The Company paid $16.0 million in installments, docking and other predelivery costs in the quarter. Financing activities were negative with $32.0 million in the quarter. Ordinary and extraordinary repayments of long term debt amounted to $23.4 million, the buy back of the convertible bond used $5.9 million, while $9.6 million was drawn down on long term debt related to the newbuildings in the quarter.

Fleet Status

The Company started to trade the vessel Golden Feng in the spot market end of August 2012. Sanko Steamship had then not paid hire since early July. The vessel is currently on a voyage charter and will likely continue in the spot market or short term time charter market given the current market levels.

Golden Bull is from November 2012 employed on the five year charter contract at $16,788 net /day.

Newbuilding Program

As reported in the Q2 report, the Company came to an agreement with Jinhai Heavy Industry Co., Ltd. ("Jinhaiwan") in July 2012 on amendment of the shipbuilding contracts of Golden Excellence, Golden Explorer and Golden Nantong.

Due to further delay in the construction progress for the vessels, the Company has in November 2012 exercised its rights to cancel the construction contracts for Golden Excellence and Golden Explorer. The Company has in aggregate paid $45.8 million on these two vessels and has drawn $20.4 million under the related loan facility. The process to demand the return of installments paid has been initiated.

As of now, Golden Ocean's newbuilding program consists of one Capesize vessel, two Kamsarmax vessels and five ice class Panamax vessels. In addition the Company has the option to build two further ice class Panamax vessels.

The remaining capital expenditure for the newbuilding program is $133.7 million as of end Q3. This is split into expected payments of $27.8 million in 2012 and $105.9 million in 2013. Remaining capital expenditure per end of quarter includes $2.2 million for the vessels that were subsequently cancelled in November 2012. Potential capital expenditure for the two optional ice class Panamaxes at Pipavav shipyard is not included in these numbers. The shipbuilding contracts include contractual compensation for late delivery from one to seven months delay and contractual cancellation rights after seven months delay.

Golden Ocean has secured financing for the newbuildings, except for two ice class Panamax vessels (no option vessels included).

Corporate

The Company reports broker values on all loan facilities to the banks each quarter. In July 2012, the Company paid in $15.5 million in order to have the correct loan to value ratio as per the loan agreements. As per September 30, 2012, the minimum value of the vessels was below the required levels defined in the loan agreements. The Company has therefore made another extraordinary down payment of $14.3 million on some of the loan facilities in October 2012.

The Company implemented a new share repurchase program in May 2012 in order to have flexibility to return capital to share holders through buy-back of shares. The Company has authorization to buy back up to a maximum amount of 45,000,000 shares at a maximum price of NOK 6.00 per share. The share repurchase program will last until June 30, 2013. As per September 30, 2012, 6.2 million shares were purchased at an average price of NOK 4.00 per share.

The Company has in September 2012 bought back $5.9 million of its Convertible Bond (maturing in December 2012) at a price of 99 cent per dollar.
The Company has in October 2012 bought 7 year interest rate swaps for $100 million at 1.22 fixed rate. The Company has in aggregate interest rate swaps for $300 million and interest rate caps for $50 million for the next three years.

The Company issued new options to its management, employees and Directors in October 2012. In total 4.5 million options were issued. At the same time the previous option program of 2.75 million options was cancelled.

As of September 30, 2012 the total number of shares outstanding in Golden Ocean was 453,500,000 of $0.10 par value each. The Company holds 6,238,204 shares as treasury shares.

The Dry Bulk market

The global economy is still under pressure lead by continuous weak data from the Euro Area. IMF has since their last quarterly report lowered its growth forecast for 2012 and 2013 with 0.2 and 0.3 percent and is expecting a growth of 3.3 and 3.6 percent for 2012 and 2013 respectively.

Chinese growth, the most important factor for the dry bulk industry, is for the third quarter preliminary reported at 7.4 percent (annualized). This is in line with expectations. Preliminary data for U.S. growth is showing an increase of two percent, slightly above expectations.

In the previous quarter we referred to the Chinese Authorities' proactive approach and potential new stimulus package on the back of lower inflation. In September 2012 a package of RMB 1 trillion (equivalent to USD 150 billion) was announced. The stimulus packages will focus on infrastructure such as highways, railways and waterways and should have a positive effect on steel demand. The steel sector is accounting for almost 50 percent of the dry bulk trade. The announcement had an immediate positive effect on international iron ore prices, which had been under pressure until the announcement.

The demand for dry bulk transportation declined by 0.7 percent during third quarter compared to the second quarter of 2012; however it increased by 5.4 percent compared to the same quarter in 2011.

China imported 183 million tons of iron ore during the third quarter of 2012. This is 730 million tons on an annualized basis, compared to 680 million tons of iron ore imported during 2011.

Increase of coal imports to China is slower compared to the two previous years and the country will most likely end up at around 215 million tons in 2012, this represents a 5 percent growth. The main reason for lower coal imports this year is higher energy production from hydro power in China.

The utilization of the dry bulk fleet is still low due to continuous deliveries of new buildings to the market. Approximately 15 million dwt. was delivered during third quarter which represents an increase in the total fleet of two percent from the previous quarter and 13 percent compared to the same quarter in 2011.

On the other hand, the sector has also witnessed high scrapping volumes so far in 2012. Scrapping volumes has already passed the record high volume of 2011 and it is expected that total scrapping could reach 32 million dwt. for the full year. So far this year 77 Capesize vessels have been reported sold for scrap. This is an encouraging number and average scrap age is on its way down. In spite of the high number of dry bulk vessels being sold for demolition, the scrap prices have been quite stable. New and modern scrap yard capacity will be available in China by the end of this year.

The total order book of 125 million dwt. represents approximately 18 percent of the existing dry bulk fleet. One year ago the total order book was at 203 million dwt, then representing approximately 34 percent of the existing fleet. There are almost no new orders being placed so far this year. The official order book for 2014 stands at 20 million dwt. against an estimated total delivery of more than 115 million dwt. new capacity this year. The input is based on an average from four independent analysts.

Strategy
After having cancelled two Kamsarmax newbuilding contracts the Company is now left with eight newbuilding contracts in total. There is still uncertainty related to the remaining newbuilding program and delivery schedule. The Company will have a clear overview of the situation within the next six to nine months.

Golden Ocean is also in the process of analyzing various investment opportunities including second hand or resale acquisitions, long term lease structures and newbuildings.

The Company has for the sailing vessels about 35 percent open Capesize capacity and 25 percent open Panamax capacity for 2013. Given the low time charter period market and potentially improved market conditions by the end of next year, Golden Ocean has no intention to secure long term employment beyond 2013.

Outlook
Like in 2011 the market for Capesize vessels has shown some improvement in the fourth quarter. The Board of Directors expects the fourth quarter 2012 operating result to be in line with the third quarter operating result, excluding impairments.

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.

The high number of vessels scrapped so far in 2012 is encouraging, but continuous scrapping at similar levels next year is imperative to have a utilization of the dry bulk fleet at satisfactory levels.
The order book for 2014 is still at a very low level.

Forward Looking Statements
This press release contains 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 press release 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.

November 22, 2012
The Board of Directors
Golden Ocean Group Limited
Hamilton, Bermuda

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Interim financial information (Unaudited)

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About Golden Ocean Group Limited
Golden Ocean Group Limited (GOGL) 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 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 Group Ltd. is dual listed on Oslo Stock Exchange and Singapore Exchange with ticker GOGL.

Consolidated Comprehensive Income Statement

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

	Notes	**2 012 Jul-Sep Unaudited**	2 011 Jul-Sep Unaudited	**2 012 Jan-Sep Unaudited**	2 011 Jan-Sep Unaudited
Operating revenue					
Revenue		**56 091**	71 590	**171 861**	250 242
Other operating revenue		**382**	-	**2 087**	-
Total operating revenue		**56 473**	71 590	**173 948**	250 242
Operating expenses					
Voyage expenses and commission		**9 516**	15 774	**27 037**	61 557
Provision for bad debt		**2 575**	-	**6 199**	-
Vessel operating expenses		**10 591**	7 907	**30 972**	26 445
Charter hire expenses		**6 658**	14 123	**21 577**	61 407
Administrative expenses		**3 580**	2 472	**9 761**	8 128
Depreciation and amortisation	**6,7**	**8 622**	8 397	**26 642**	25 545
Impairment of vessels and vessels under construction	**6,8**	**25 200**	-	**30 288**	38 700
Total operating expenses		**66 741**	48 673	**152 477**	221 781
Other gain/(losses) net					
Other gains/(losses) net		**583**	1 592	**(1 272)**	7 814
Total other gains/(losses) net	**3**	**583**	1 592	**(1 272)**	7 814
Operating profit/(loss)		**(9 685)**	24 509	**20 199**	36 275
Interest income		**437**	225	**1 032**	829
Interest expense	**4**	**(5 239)**	(5 603)	**(16 416)**	(17 333)
Other financial items	**5**	**(2 629)**	(7 989)	**(2 551)**	(11 646)
Total net financial items		**(7 431)**	(13 366)	**(17 935)**	(28 151)
Profit/(loss) before income tax		**(17 116)**	11 143	**2 264**	8 124
Income tax		**-**	-	**-**	-
Profit/(loss) for the period		**(17 116)**	11 143	**2 264**	8 124
Profit/(loss) attributable to:					
Owners of the parent		**(17 145)**	10 983	**2 219**	8 008
Non-controlling interest		**29**	160	**45**	116
Profit/(loss) for the period		**(17 116)**	11 143	**2 264**	8 124
Other comprehensive income					
Reduction in value of marketable securities		**-**	(13 361)	**-**	(13 946)
Total comprehensive income/(loss) for the period		**(17 116)**	(2 218)	**2 264**	(5 822)
Comprehensive income/(loss) attributable to:					
Owners of the parent		**(17 145)**	(2 378)	**2 219**	(5 938)
Non-controlling interest		**29**	160	**45**	116
Total comprehensive income/(loss) for the period		**(17 116)**	(2 218)	**2 264**	(5 822)
Basic and diluted earnings/(loss) per share		**$(0.04)**	($0.02)	**$0.00**	($0.02)

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

Golden Ocean Group Limited
Consolidated Balance Sheet

(in thousands of $)	Notes	2012 Sep 30 Unaudited	2011 Dec 31
ASSETS			
Non current assets			
Vessels and equipment, net	6	618 222	637 441
Vessels held under finance leases, net	7	142 587	147 991
Vessels under construction	8	207 935	216 965
Other long term receivables	10	7 891	7 501
Investment in associated companies/ JV		2 611	1 575
Intangible assets		-	1 605
Total non-current assets		979 246	1 013 079
Current assets			
Cash and cash equivalents incl. restricted cash	9	101 222	138 284
Trade and other receivables	10	17 085	22 789
Available for sale financial assets	12	-	33 330
Inventories		7 165	4 590
Total current assets		125 472	198 992
Total assets		1 104 718	1 212 071
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		45 350	45 699
Additional paid in capital		102 686	104 801
Other reserves		12 481	14 110
Retained earnings		367 537	364 779
Owners Equity		528 053	529 389
Non-controlling interest		541	496
Total Equity		528 594	529 885
Non-Current Liabilities			
Long term debt	13	364 942	455 385
Obligations under finance leases	14	119 780	124 859
Other long term liabilities		2 281	2 508
Total non-current liabilities		487 004	582 752
Current Liabilities			
Long-term debt - current portion	13	51 874	62 962
Obligations under finance leases – current portion	14	6 725	6 426
Derivative financial liabilities	11	8 001	5 719
Amount due to related parties		1 321	655
Trade payables and other current liabilities	15	21 199	23 672
Total current liabilities		89 120	99 434
Total liabilities and shareholders' equity		1 104 718	1 212 071

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

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Golden Ocean Group Limited
Consolidated Cash Flow Statement

(in thousands of $)	Notes	2012 Jan-Sep Unaudited	2011 Jan-Sep Unaudited
OPERATING ACTIVITIES			
Profit for the period		**2 264**	8 123
Adjustments to reconcile profit for the period to net cash provided by operating activities:			
Share options		**621**	748
Sale / Impairment of marketable securities	**12**	**(505)**	1
Income associate/JV		**(1 036)**	(1 028)
Interest paid		**18 850**	19 500
Interest received		**(1 032)**	(829)
Depreciation and amortisation	**6,7**	**26 642**	25 545
Amortisation of deferred charges		**628**	463
Impairment	**6,8**	**30 288**	38 700
Long term receivables adjustment	**10**	**(390)**	(365)
Long term liability adjustment		**(227)**	
Unrealized currency gains/losses		**(138)**	2 247
Net change in:			
Amount due to related parties		**666**	686
Derivative instrument receivable amounts	**11**	**2 282**	9 642
Trade and other receivables	**10**	**5 703**	(7 757)
Inventories		**(2 575)**	(1 504)
Trade payables and other current liabilities	**15**	**(2 471)**	1 401
Net cash provided by operating activities		**79 571**	95 574
INVESTING ACTIVITIES			
Net maturity of restricted cash		**3 425**	(848)
Interest received		**1 032**	829
Payments on vessels	**6,8**	**(36 273)**	(90 340)
Net proceeds from sale of vessels under construction		**14 970**	-
Sale of short term investments	**12**	**33 835**	(24)
Net cash used in investing activities		**16 990**	(90 383)
FINANCING ACTIVITIES			
Payment of financing charges		**(1 963)**	(1 387)
Interest paid		**(18 850)**	(19 500)
Repayment of obligations under finance leases		**(4 729)**	(5 002)
Repayment of long term debt		**(105 829)**	(40 625)
Proceeds from long term debt		**11 250**	66 311
Payment of dividends		**(22)**	(50 269)
Payment of convertible bonds		**(5 900)**	-
Purchase of own shares		**(4 154)**	(668)
Settlement of share options		**-**	-
Proceeds from issue of shares		**-**	-
Net cash (used in) / provided by financing activities		**(130 197)**	(51 140)
Net change in cash and cash equivalents		**(33 637)**	(45 949)
Cash and cash equivalents at beginning of period		**126 724**	179 487
Cash and cash equivalents at end of period	**9**	**93 087**	133 538

Golden Ocean Group Limited

Consolidated Statement of Changes in Equity

(in thousands of $)

	Total Attributable to equity holders of the parent						
	Share Capital	**Additional paid in capital**	**Other Reserves**	**Retained Earnings**	**Total**	**Non-Controlling interest**	**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	(125)	7 324
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
Non-controlling interest	-	-	-	-	-	(24)	(24)
Balance at December 31, 2011	45 699	104 801	14 110	364 779	529 389	496	529 885
Comprehensive income for the period	-	-	-	2 219	2 219	-	2 219
Purchase of treasury shares			(4 154)	-	(4 154)	-	(4 154)
Cancellation of treasury shares	(349)	(2 116)	2 465	-	1	-	1
Currency translation / other	-	-	60	(60)	-	-	-
Dividend paid	-	-	-	(22)	(22)	-	(22)
Value of services under stock options scheme	-	-	-	621	621	-	621
Non-controlling interest	-	-	-	-	-	45	45
Balance at September 30, 2012	**45 350**	**102 686**	**12 481**	**367 537**	**528 053**	**541**	**528 594**

1. ACCOUNTING PRINCIPLES

The accounts have been prepared in accordance with IAS 34 Interim Financial Reporting. A full description of the accounting principles used in preparing the consolidated financial statements for Golden Ocean Group Ltd. is included in note 2 in the annual report for 2011. The annual consolidated financial statements are prepared in accordance with IFRS.

2. ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

Preparation of interim financial statements in accordance with IFRS implies use of estimates, which are based on judgments and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts might differ from such estimates.

Impairment of vessels and vessels under construction
In the third quarter of 2012 the Company has booked a net impairment of $25.2 million. This is related to several of the Company's sailing vessels.

The impairment recorded in the third quarter of 2012 was calculated based on a WACC of 7.15%. If the estimated cost of capital (WACC) used in the Vessel valuation model had been 8.15%, the net impairment for the quarter would increase by $24.9 million. If the forward market had been 10 % lower, the Group would have recognized an increased net impairment of $57.9 million. If the broker values of the assets had dropped 10 %, there would be no changes to the net impairment. If the WACC had been 8.15%, and both the forward market rates and the broker values had decreased by 10%, the net impairment would have increased by $91.7 million.

Impairment of trade receivables
The Company has accumulated a receivable from Sanko Steamship in relation to the time charter of Golden Feng. As per end of the third quarter the outstanding amount was $6.2 million. Based on Sanko entering into formal rehabilitation proceedings in Japan, the Company considers it unlikely that it will receive the outstanding amount. The Company has therefore made a provision of the outstanding amount of $6.2 million. Revenue will not be recognized on the time charter with Sanko unless it is considered probable that the related hire payments will be received.

Financial lease purchase option in JPY.
Due to the current market outlook the Company has changed the view about the likelihood of exercising the purchase option in JPY for Ocean Minerva and Golden Heiwa. Based on the assumption that the vessels will be redelivered at the end of the charter period, the book value of the two vessels less the book values of the lease liability relating to the purchase options will be depreciated over the remaining charter period. The JPY lease liability relating to the purchase options are considered non-monetary liabilities and will be translated at the historical exchange rate at the date the reassessment was made. As a result of change in estimate of useful life, depreciation relating to the two vessels will increase by $2.0 million per annum until 2017.

3. OTHER GAINS/(LOSSES) NET

(in thousands of $)	**9/30/2012**	9/30/2011
Gain/(loss) on Forward freight agreements	**(2 040)**	3 868
Gain/(loss) on bunkers derivatives	**(268)**	2 918
Joint venture with United Freight Carriers	**1 036**	1 028
Total other gains/(losses) net	**(1 272)**	7 814

4. INTEREST EXPENSE

(in thousands of $)	**9/30/2012**	9/30/2011
Interest on bank overdrafts and loans	**12 163**	12 983
Interest on obligations under finance leases	**6 588**	6 949
Total interest expense	**18 751**	19 932
Less amounts included in the cost of qualifying assets	**(2 335)**	(2 599)
Net interest expense	**16 416**	17 333

5. OTHER FINANCIAL ITEMS

(in thousands of $)	**9/30/2012**	9/30/2011
Foreign exchange gain/ (losses)	**138**	(2 247)
Interest swap	**(4 632)**	(12 942)
Dividend received	**1 219**	3 657
Other financial items	**724**	(114)
Total other financial items	**(2 551)**	(11 646)

The foreign exchange loss of $0.9 million in the third quarter is related to unrealized purchase option in YEN, which is revalued every quarter end. The total interest swap expenses in the quarter were $1.7 million. Out of this, the unrealized portion of the interest swap expenses amounts to $0.9 million.

6. VESSELS AND EQUIPMENT, NET

The Group has the following owned vessels at September 30, 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 Suek	2011	74 500	Hong Kong
Golden Bull	2012	74 500	Hong Kong

(in thousands of $)	*Vessels*	*Drydocking*	*Fixtures and Equipment*	*Total*
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 8)	150 935	-	-	150 935
Disposals	-	-	-	-
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	3 379	7	4 592
Transferred from vessels under construction (note 8)	34 421	-	-	34 421
At September 30, 2012	**768 343**	**7 431**	**570**	**776 344**
Accumulated depreciation and impairment:				
At January 1, 2011	46 918	1 814	309	49 041
Impairment	28 200			28 200
Disposals	-	-	-	-
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 2)	38 600	-	-	38 600
Depreciation	18 806	801	26	19 633
At September 30, 2012	**155 114**	**2 615**	**393**	**158 122**
Carrying amount:				
At September 30, 2012	**613 228**	**4 816**	**177**	**618 222**
At December 31, 2011	635 007	2 238	196	637 441

The Group has pledged all of sailing vessels to secure various banking facilities (note 13).

7. VESSELS HELD UNDER FINANCE LEASES, NET

The Group has the following vessels on financial lease at September 30, 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
Additions	-
At December 31, 2011	176 159
At January 1, 2012	176 159
At September 30, 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	5 404
At September 30, 2012	**33 572**
Carrying amount:	
At September 30, 2012	**142 587**
At December 31, 2011	147 991

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

Intangible assets were amortized by $1.6 million in the first quarter of 2012, leaving a remaining balance of $nil.

8. VESSELS UNDER CONSTRUCTION

(in thousands of $)	
Cost value:	
At January 1, 2011	262 337
Additions	116 063
Impairment	(10 500)
Transferred to vessels and equipment (note 6)	(150 935)
At December 31, 2011	216 965
At January 1, 2012	216 965
Additions	32 050
Impairment (note 2)	8 312
Disposals	(14 970)
Transferred to vessels and equipment (note 6)	(34 421)
At September 30, 2012	**207 935**

One Panamax vessel, Golden Bull, has been delivered to the Group during the first quarter from Pipavav Shipyard. The value of the vessel that has been completed is transferred to vessel and equipment shown in note 6.

Golden Emerald was sold in the second quarter of 2012. The Company recorded an impairment of $2.2 million on the vessel in first quarter. 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 instalment, interest and supervision on newbuildings.

9. CASH AND CASH EQUIVALENTS INCLUDING RESTRICTED CASH

(in thousands of $)	**9/30/2012**	12/31/2011
Current accounts	**30 487**	66 724
Short-term deposits	**62 600**	60 000
Cash and cash equivalents, non restricted	**93 087**	126 724
Restricted cash	**8 135**	11 560
At September 30, 2012	**101 222**	138 284

10. TRADE AND OTHER RECEIVEABLES

(in thousands of $)	**9/30/2012**	12/31/2011
Trade receivables	**921**	7 460
Other receivables	**17 423**	16 578
Prepayments	**6 632**	6 251
	24 976	30 290
Less non-current portion: other receivables	**(7 891)**	(7 501)
Current portion	**17 085**	22 789

The Company has made a provision of $6.2 million in relation to the hire outstanding from Sanko (see note 2).

11. DERIVATIVE FINANCIAL INSTRUMENTS

(in thousands of $)	**9/30/2012**	12/31/2011
Interest derivatives	**(8 137)**	(5 662)
Bunkers derivatives	**136**	(56)
Derivative financial instruments, net	**(8 001)**	(5 719)

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12. AVAILABLE FOR SALE FINANCIAL ASSETS

(in thousands of $)	
At January 1, 2011	-
Additions	54 299
Impairment of marketable securities	(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	(33 835)
Gain of sale recognized in other financial items	505
At September 30, 2012	**-**

During the first quarter of 2012, the Company sold all of the common shares held in Knightsbridge Tankers Limited (2,438,199) and booked a gain net after costs of $0.5 million dollars.

13. LONG – TERM DEBT

(in thousands of $)	**9/30/2012**	12/31/2011
Within one year	**51 874**	62 962
Between one and two years	**113 932**	43 620
Between two and five years	**197 114**	390 053
After five years	**58 086**	24 700
Total debt	**421 006**	521 335
Current portion	**(51 874)**	(62 962)
Long-term debt, nominal value	**369 132**	458 373
Deferred transaction costs	**(4 190)**	(2 988)
Long-term debt, net	**364 942**	455 385

Of the total debt, $419 213 (December 31, 2011 $513 792) is secured by mortgages over sailing vessels and vessels under construction. The remaining debt of $1 793 (December 31, 2011 $7 540) relates to the liability component of unsecured convertible bonds issued in December 2007.

The Company reports broker values for all mortgaged vessels quarterly. As per September 30, 2012, the minimum value of the vessels was below the level required by the loan agreements. To mitigate this, the Company made an extraordinary down payment of $14.3 million on some of the loan facilities in October 2012.

Long-term debt and finance lease liabilities:

(in thousands of $)	**9/30/2012**	12/31/2011
Non-current		
Bank borrowings	**364 942**	455 385
Convertible bond	**-**	-
Finance lease liabilities	**119 780**	124 859
	484 722	580 244
Current		
Bank borrowings	**50 081**	55 422
Convertible bond	**1 793**	7 540
Finance lease liabilities	**6 725**	6 426
	58 599	69 388
Total borrowings	**543 321**	649 632

All debt is denominated in US Dollars and the bank debt has an interest rate at LIBOR plus a fixed margin of an average of 2.75. The interest rate is mainly repriced on a monthly basis, while some facilities are repriced on a quarterly basis.

14. OBLIGATIONS UNDER FINANCE LEASE

	Within one year		2-5 years		6-10 years		Total	
(in thousands of $)	**9/30/2012**	12/31/2011	**9/30/2012**	12/31/2011	**9/30/2012**	12/31/2011	**9/30/2012**	12/31/2011
Minimum Lease Payments								
Interest	**8 238**	8 597	**33 308**	28 950	**9 450**	15 245	**50 996**	52 791
Purchase option	**-**	-	**55 017**	34 110	**33 550**	54 739	**88 567**	88 849
Instalments	**6 725**	6 426	**25 551**	28 843	**5 662**	7 167	**37 938**	42 436
Total Minimum Lease	**14 963**	15 023	**113 876**	91 903	**48 662**	77 151	**177 501**	184 076
Present Value of Lease Obligations							**126 505**	131 285
Current portion							**6 725**	6 426
Non-current portion							**119 780**	124 859

The Group has recorded finance leases on four vessels at September 30, 2012 (and 2011).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 calculated to be exercisable, and the first lease renewal date.

(in thousands of $)	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 Company has re-evaluated the probability for exercising the purchase option and as a result, the liabilities at the end of the charter period are carried at the foreign exchange rate prevailing on the date of the re-evaluation (see note 2).

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.

15. TRADE PAYABLES OTHER CURRENT LIABILITIES

(in thousands of $)	**9/30/2012**	12/31/2011
Trade payables	**1 617**	1 707
Accruals	**4 448**	6 886
Income received in advance	**10 002**	8 645
Other current liabilities	**5 132**	6 434
	21 199	23 672

Income received in advance and provisions for losses relates to time charter revenue received in advance for future periods, net of any provisions related to expected losses on Contracts of Affreightment and voyages.

The Group has no contingent liabilities in respect of legal claims arising in the ordinary course of business.

16. CAPITAL COMMITMENTS

(in thousands of $)	Within one year		2-5 years		Total	
	9/30/2012	12/31/2011	**9/30/2012**	12/31/2011	**9/30/2012**	12/31/2011
Vessels under construction	**133 708**	172 708	**-**	52 020	**133 708**	224 728

The Capital commitment for unfinanced vessels was $60.3 million at the end of the quarter, all relating to the two last vessels from Jinhaiwan Shipyard, with expected delivery in first half of 2013. The figure includes the remaining installments of $2.2 million related to the two vessels that were subsequently cancelled in November 2012.

17. OPERATING LEASES

Rental expense
The future minimum rental payments under the Group's non-cancellable operating leases as of September 30, 2012 are as follows:

(in thousands of $)	**9/30/2012**	12/31/2011
Within one year	**2 680**	10 774
In the second to fifth years	**14 378**	14 378
Total minimum lease payments	**17 058**	25 152

Total rental expense for the period ended September 30, 2012 for operating leases was $ 21 577 (September 30, 2011:$ 61 407).

Rental income
The minimum future revenue (including owned vessels) to be received under the Group's non-cancellable operating leases as of September 30, 2012 is as follows:

(in thousands of $)	**9/30/2012**	12/31/2011
Within one year	**38 763**	156 805
In the second to fifth years	**414 253**	399 849
Later than five years	**207 197**	180 695
Total minimum lease revenue	**660 213**	737 349

Total rental income from operating leases was $ 171 861 for the period ended September 30, 2012 (September 30, 2011:$ 250 242). The table above includes the projected cash flow from the two newbuilding contracts that were subsequently cancelled ($84 953 from year two to year ten).

18. SUBSEQUENT EVENTS

The Company issued new options to its management, employees and directors in October 2012. In total 4.5 million options were issued. At the same time the previous option program of 2.75 million options was cancelled. Total cost for this will be $1.1 million distributed over the option period, with approximately 50% in year 1.

Due to further delay in the construction progress for the vessels, the Company has in November 2012 exercised its right to cancel the construction contracts for Golden Excellence and Golden Explorer. The Company has in aggregate paid $45.8 million on these two vessels and has drawn $20.4 million under the related loan facility. The process to demand the return of installments paid has been initiated.