GOLDEN OCEAN™

Preliminary 2013 financial information

Fourth quarter and year end 2013

February 25, 2014

Highlights

- Golden Ocean generates fourth quarter 2013 EBITDA* of $32.0 million
- Golden Ocean reports profit of $18.1 million for the fourth quarter of 2013
- Golden Ocean announces dividends of $ 0.025 per share for the fourth quarter of 2013
- The Company received upfront charter payment of $14.1 million in December related to three vessels
- The Company issued a $200 million Convertible Bond in January 2014
- The Company acquired three 2012-built Kamsarmaxes in February 2014

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

Fourth Quarter and preliminary Year End 2013 Results

Golden Ocean Group Limited (the “Company” or “Golden Ocean”) reports profit of $18.1 million and earnings per share of $0.04 for the fourth quarter of 2013. This compares with profit and earnings per share of $16.1 million and $0.04 respectively for the third quarter of 2013. Total operating revenues for the fourth quarter were $71.0 million; total operating expenses were $54.6 million and other gains/(losses) net were positive with $5.6 million. Net financial items were negative with $3.7 million.

The Company reports a profit of $84.5 million and earnings per share of $0.19 for the full year 2013. Total operating revenues were $308.9 million, total operating expenses were $225.1 million and other gains/(losses) net were positive with $11.4 million. Net financial items for the year ended December 31, 2013 were negative with $10.6 million.

The profit for the period of $18.1 million is an increase of $2.0 million compared to last quarter. The operating revenues decreased by $7.8 million, and the operating expenses decreased by $7.6 million. This is mainly explained by lower activity on short term trading in the quarter. Total other gains/(losses) net increased by $0.1 million. Net operating income is $21.9 million, which is $0.1 million lower than previous quarter. Net financial items of $3.7 million are $2.3 million higher than in third quarter. This is mainly related to changes in fair value of the Company’s interest rate hedges.

The table below shows the split for some key numbers between the long term and the short term portfolio for the fourth quarter of 2013. Administrative expenses are not allocated. The long term portfolio is defined as owned vessels, long term time charter in contracts and bareboat vessels and relates to the vessels that the Company gives information on in quarterly releases and on the web page. 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	49.3	21.7	71.0
Total operating expenses (ex admin)	-31.2	-20.9	-52.1
Total other gains/losses net	4.7	0.9	5.6
Operating profit (ex admin)	22.8	1.7	24.5
Admin expenses			-2.6
Operating profit			21.9

Cash and cash equivalents increased by $19.7 million during the quarter. The Company generated cash from operating activities of $32.0 million during the quarter and reduced restricted cash with $1.3 million. The Company paid $20.2 million related to the purchase of Golden Diamond, other predelivery costs and capitalized dry-dock expenses on Golden Ice. In October the Company invested $10.0 million in Greenship Bulk Trust. The Company received $17.6 million from Joint Ventures for the sale of Golden Azalea and financing of Golden Opus and thereby took the investment in Joint Ventures down during the quarter. Financing activities were negative with $2.4 million in the quarter.

Fleet Status
Golden Diamond, the second vessel bought from Pipavav Defence & Offshore Engineering Company in May 2013, was delivered to the Company mid October 2013. The vessel has been positioned in the Atlantic and is currently trading in the spot market.

In December 2013 the Company extended the agreement made in December 2012 with one of its charterers for three vessels. The Company received upfront charter payment for the difference between the existing hire and a new hire of $8.000 / day for additional 365 days per vessel. Against this upfront payment the Company gave a discount of 8% of the value of reduction in rates and received $14.1 million in total.

In February 2014 the Company purchased three 2012 Korean built 81.500 dwt Kamsarmax bulk carriers. These sister vessels was bought in an “enblock” transaction. They will be delivered to the Company before the end of April 2014.

One of the vessels is fixed out on an index linked Time Charter Contract until second quarter 2016. Consequently this vessel will have full exposure to the prevailing spot market. Charters are paying a premium of 13% compared to the Baltic average four time charter Panamax routes reflecting the earning capacity of the vessels. The second vessel is on a Time Charter contract until fourth quarter 2014 at $15.881 (net) and the third vessel will be redelivered to Owners from the current Time Charter contract at the end of second quarter 2014.

Newbuilding Program
In October 2013 the Company received a positive award in relation to the two first Kamsarmax vessels (cancelled end October 2012), declaring that the Company had the right to cancel the contracts. Further the Company received a similar award for one vessel early January 2014. The Company is in the process of seeking the final award for the right to repayment. Arbitration processes are ongoing at various stages for the six other contracts that have been cancelled. The Board is confident that the Company has a strong case on these remaining arbitrations. The Company's claim towards the yard is secured by refund guarantees from two of the top four Chinese banks. The Company has in aggregate paid $175.3 million on these nine vessels and has drawn $43.2 million under the related loan facilities.

As per today Golden Ocean’s total newbuilding program consists of eight Supramax vessels, two vessels from Japan Marine United Corporation (”JMU”) and six vessels from Chengxi. The remaining capital expenditure for vessels under construction is $195.3 million as of end Q4-2013. None of the newbuildings are yet financed.

Corporate
On February 25, 2013 the Board has declared a dividend of $0.025 per share. The record date for the dividend has been set to March 7, 2014, ex dividend date will be March 5, 2014 and the dividend will be paid on or about March 28, 2014.

In January 2014 the Company issued a $200 million Convertible Bond with a 5 years tenor and Cupon of 3.07% p.a. The Conversion Price is currently at 2.86 $/share. The Conversion Price will be adjusted for any dividend payments from the Company.

In November 2013, 156,553 additional shares In Korea Line Corporation (“KLC”) held by Golden Ocean were released for trading. The Company now holds in total 170,042 freely tradable shares in KLC which have been classified as available for sale financial assets and the value has been booked through other comprehensive income in Q4. The shares held are the Company’s only remaining assets from the default of KLC.

At the end of October, KLC utilized an option under the rehabilitation plan to cash settle the outstanding debt in full. The Company received $1.1 million from this settlement, which has been recognized as a gain in the income statement in Q4.

In October 2013 the Company invested $10 million in Greenship Bulk Trust through participation in their most recent Private Placement. The Company currently hold 7 692 308 units in the company representing approximately 4% of the total outstanding units

The Joint Venture owning Golden Opus has obtained financing of the vessel during Q4 and the proceeds has been repaid to the owners of the JV.

As of December 31, 2013 the total number of shares outstanding in Golden Ocean was 447,261,796 of $0.10 par value each.

The Dry Bulk market

Over the last three years, the focus has been on the supply side of the dry bulk industry. Overcapacity has caused great concerns with an official order book representing approximately 50 percent of the total fleet at the beginning of 2011. The order book has gradually been reduced and by the end of 2013, it is estimated to be approximately 17 percent of the existing fleet albeit a much bigger fleet than three years ago.

In 2013, approximately 60 million dwt was delivered and approximately 22 million dwt of the dry bulk fleet was removed. Consequently, net fleet growth ended at seven percent which was considerably lower than in the three previous years.

For many years, except 2009, the dry bulk market has not had a demand problem. In 2013, total demand growth was approximately 6 percent in volume but taking into account other factors such as sailing distances and congestion, the demand growth measured in tone miles was approximately 8 percent. The difference between the first part of last year and the second half was significant and for the first time since 2007, utilization of the dry bulk fleet turned in favor of owners towards the end of 2013.

Spot earnings for Capesize vessels in particular experienced strong volatility last year. The low point was in April when a Cape earned approximately $4,200 per day, while the same vessel earned $42,200 per day at the end of September. Average earnings in 2013 were $14,700 while the average earnings for the fourth quarter of 2013 were $27,500 per day. Panamax earnings were ranging between $5.200 per day and $16.700 per day with an average of $9.500 per day in 2013.

The “China story” remained intact in 2013 and China accounted for 83 percent of the global demand growth of 200 million tons. Last year, China imported a total of 1,500 million tons of dry bulk commodities, compared to 750 million tons in 2008. This represents approximately 35 percent of global dry bulk trade measured in volume and more than 40 percent in ton miles

In 2013, there was strong growth in both iron ore and coal imports to China. Iron ore increased by 10 percent to reach 820 million tons while coal increased by 17 percent to 275 million tons. It is also worth mentioning that bauxite and nickel ore increased by 60 percent and 22 percent respectively, but obviously at smaller volumes.

India’s newly commissioned coal fired power plants and improved port infrastructure are resulting in higher coal imports to the country. In 2013, India imported 164 million tons of coal which is almost 10 percent growth year on year.

Expectations for a higher utilization of the dry bulk fleet are high among many analysts and owners. Consequently, ordering of new capacity was quite brisk in the second half of 2013, leading to higher new building prices. From a low in the first quarter of last year, prices rose by approximately 15 percent on average. Asset prices for second hand vessels, in particular Capes, witnessed even stronger gains. The value of a second hand Cape size vessel has increased by more than 25 percent last year while second hand Panamaxes / Kamsarmaxes increased by approximately 15 percent in 2013.

Strategy

The Company has recently added three additional vessels to its fleet and following previous acquisitions a total of 15 new assets have been contracted over the last 12 months. Eight out of the 15 vessels are Ultramax newbuildings and 2 are Capesizes owned jointly with a strategic partner.

Following the successful placement of a convertible bond in January at favorable terms for Golden Ocean, the Company has added substantial capacity if attractive investment opportunities should arise. However it is important to identify the right projects which fit in with Golden Ocean's opportunistic asset play strategy. Further the Company is not ruling out that it will dispose some of its older vessels if asset values reach acceptable levels.

Given most forecasters positive market outlook reflected in forward freight values (FFAs) the Company intends to keep high exposure to the spot market until further notice. Presently almost the entire Capesize fleet is sailing spot, while 40 per cent of the Panamax / Kamsarmax fleet has cover averagely in 2014. There have not been any set backs in the arbitration process for the 9 cancelled newbuilding contracts. The Company expects to receive all the refunds by the end of 2014 which will strengthen GOGL's cash position considerably.

Outlook

As expected spot earnings for dry bulk owners are lower in the first quarter which is explained by seasonal factors like: Chinese New Year, adverse weather in the southern hemisphere and more newbuildings hitting the water every January. Given the Company's high spot exposure, the Board of Directors expects the first quarter of 2014 underlying operational result to be weaker than the fourth quarter of 2013. Future earnings will continue to correlate with the spot market, but given the strong cash position the Board is of the opinion that the adapted chartering strategy is well founded.

There is good visibility when it comes to the supply of new vessels next 24 months. It is though expected that delivery ratio compared to the official order book will be higher than what has been experienced last three years. In addition scrapping will most likely will be lower if market expectations are met. In spite of these two factors most analysts are forecasting a net fleet growth at five per cent or slightly lower in 2014 and 2015.

Despite China's overall slowing economy, the country's impact on global dry bulk demand has never been higher. In 2013 China contributed roughly 83 percent to the increase in global dry bulk trade. Next two years it is expected that China will have a GDP growth of 7.5 percent and as consequence it is expected that steel production growth will be lower than in the past. But due to substantial new international iron ore capacity entering the market and more expensive domestic iron ore production in China iron ore imports are expected to increase at a steady pace next couple of years.

The Chinese authorities are forced to focus more on the environment in the future. However the energy mix is expected to remain the same over the next couple of years. Coal is contributing with around 65 per cent of the energy output. It is expected that the domestic coal mining industry will face same challenges as the iron ore producers of the country which sets the scene for higher imports.

When adding continuous coal import growth to India most forecasters are expecting demand growth to outpace supply growth leading to higher utilization of the dry bulk fleet. Due to short term changes in Chinese iron ore restocking and se stocking volatility in particular for the cape size fleet is expected to be high.

The Board is pleased with the fact that the Company has been able to grow in a difficult market environment and believe that Golden Ocean is well positioned for a potential market upswing. The focus on keeping both technical costs and overheads low is appreciated by the Board of Directors of Golden Ocean.

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.

February 25th, 2013

The Board of Directors
Golden Ocean Group Limited
Hamilton, Bermuda

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Interim financial information
(Unaudited)

Fourth Quarter 2013

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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	**2013 Oct-Dec Unaudited**	2012 Oct-Dec Unaudited	**2013 Jan-Dec Unaudited**	2012 Jan-Dec
Operating revenue					
Revenue		**69 491**	55 275	**276 457**	227 137
Other revenue	3	**1 507**	616	**32 444**	2 703
Total operating revenue		**70 998**	55 891	**308 901**	229 840
Operating expenses					
Voyage expenses and commission		**14 809**	10 017	**70 448**	37 054
Impairment of trade receivables		**-**	-	**-**	6 199
Vessel operating expenses		**11 882**	10 496	**46 012**	41 468
Charter hire expenses		**15 306**	8 170	**57 723**	29 747
Administrative expenses		**2 604**	3 446	**12 233**	13 207
Depreciation and amortisation	7,8	**10 031**	9 149	**38 664**	35 792
Impairment of vessels and vessels under construction	7,9	**-**	-	**-**	30 288
Total operating expenses		**54 631**	41 278	**225 079**	193 755
Other gain/(losses) net					
Other gains/(losses) net	4	**5 578**	(448)	**11 440**	(1 720)
Total other gains/(losses) net		**5 578**	(448)	**11 440**	(1 720)
Operating profit/(loss)		**21 945**	14 165	**95 262**	34 365
Interest income		**207**	340	**1 096**	1 372
Interest expense	5	**(4 955)**	(4 940)	**(19 115)**	(21 356)
Other financial items	6	**1 085**	(166)	**7 423**	(2 717)
Total net financial items		**(3 663)**	(4 766)	**(10 596)**	(22 701)
Profit/(loss) before income tax		**18 282**	9 399	**84 666**	11 664
Income tax		**(174)**	(67)	**(174)**	(67)
Profit/(loss) for the period		**18 108**	9 332	**84 492**	11 597
Profit/(loss) attributable to:					
Owners of the parent		**17 986**	9 382	**83 875**	11 602
Non-controlling interests		**122**	(49)	**617**	(5)
Profit/(loss) for the period		**18 108**	9 332	**84 492**	11 597
Other comprehensive income					
Changes in fair value of available-for-sale financial assets		**6 270**	-	**6 916**	-
Total comprehensive income/(loss) for the period		**24 378**	9 332	**91 408**	11 597
Comprehensive income/(loss) for the period:					
Owners of the parent		**24 256**	9 382	**90 791**	11 602
Non-controlling interests		**122**	(49)	**617**	(5)
Total comprehensive income/(loss) for the period		**24 378**	9 332	**91 408**	11 597
Basic and diluted earnings/(loss) per share		**$0.04**	$0.02	**$0.19**	$0.03

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

GOLDEN OCEAN™

Golden Ocean Group Limited
Consolidated Balance Sheet

(in thousands of $)	Notes	2013 Dec 31 Unaudited	2012 Dec 31
ASSETS			
Non current assets			
Vessels and equipment, net	7	667 788	611 517
Vessels held under finance leases, net	8	130 795	140 217
Vessels under construction	9	16 144	116 082
Other long term receivables	11	8 588	8 026
Investment in Joint Ventures	12	17 419	1 248
Derivative instrument receivable amounts	13	2 735	-
Total non-current assets		**843 469**	877 090
Current assets			
Cash and cash equivalents incl. restricted cash	10	98 841	112 537
Trade and other receivables	11	25 495	14 677
Refundable installments for cancelled newbuildings	9	192 976	100 325
Available-for-sale financial assets	14	16 916	-
Inventories		10 775	5 750
Total current assets		**345 002**	233 289
Total assets		**1 188 471**	1 110 379

EQUITY AND LIABILITIES

Equity attributable to equity holders of the parent			
Share capital		44 726	44 726
Additional paid in capital		99 156	99 156
Other reserves		23 551	16 635
Retained earnings		457 823	377 288
Owners Equity		**625 256**	537 805
Non-controlling interests		1 108	491
Total Equity		**626 364**	538 296
Non-Current Liabilities			
Long term debt	15	319 605	324 432
Obligations under finance leases	16	110 416	118 055
Other long term liabilities		1 903	2 205
Total non-current liabilities		**431 924**	444 693
Current Liabilities			
Long-term debt - current portion	15	84 414	68 733
Obligations under finance leases – current portion	16	7 370	6 837
Derivative financial liabilities	13	-	7 782
Amount due to related parties		1 216	1 328
Trade payables and other current liabilities	17	37 183	42 710
Total current liabilities		**130 183**	127 390
Total liabilities and shareholders' equity		**1 188 471**	1 110 379

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

Golden Ocean Group Limited
Consolidated Cash Flow Statement

(in thousands of $)	Notes	2013 Jan-Dec Unaudited	2012 Jan-Dec
OPERATING ACTIVITIES			
Profit after income tax incl. discountinued operations		**84 492**	11 597
Adjustments for:			
Capitalised docking and periodic maintenance		**(1 485)**	(3 430)
Value of services under stock option scheme		**1 172**	989
Stock options paid in cash		**(40)**	-
Gain on sale and impairment of available-for-sale financial assets		**(339)**	(505)
Share of (profit) / loss from associates/JV's		**(4 149)**	(1 422)
Interest expensed		**10 280**	20 581
Interest income		**(1 096)**	(1 372)
Depreciation	**7,8**	**38 664**	35 791
Amortisation of deferred charges		**638**	775
Impairment of owned vessels and vessels under construction	**7,9**	**-**	30 288
Net change in:			
Other items		**(864)**	(966)
Amount due to related parties		**(112)**	675
Derivative instrument receivable / payable amounts	**13**	**(10 516)**	2 063
Trade and other receivables	**11**	**(10 818)**	8 111
Inventories		**(5 025)**	(1 160)
Trade payables and other current liabilities	**17**	**(5 526)**	19 039
Net cash provided by operating activities		**95 275**	121 055
INVESTING ACTIVITIES			
Changes in restricted cash		**3 217**	3 382
Interest received		**1 096**	1 372
Payments on vessels	**7,9**	**(62 680)**	(41 431)
Investment in shares-available for sale		**(10 000)**	-
Investment in Joint Venture	**12**	**(13 275)**	-
Dividend received JV		**1 252**	1 750
Net proceeds from sale of vessels under construction		**-**	14 970
Sale of short term investment		**339**	-
Sale of available-for-sale financial assets		**-**	33 835
Net cash provided by / (used in) investing activities		**(80 051)**	13 878
FINANCING ACTIVITIES			
Payment of financing charges		**(1 709)**	(2 031)
Interest paid		**(10 103)**	(20 522)
Repayment of obligations under finance leases		**(6 594)**	(6 256)
Repayment of long term debt		**(36 770)**	(127 864)
Proceeds from long term debt		**33 947**	11 250
Payment of dividends		**(4 473)**	(22)
Payment of convertible bonds		**-**	(7 700)
Purchase of own shares		**-**	(4 154)
Net cash (used in) / provided by financing activities		**(25 702)**	(157 298)
Net change in cash and cash equivalents		**(10 478)**	(22 365)
Cash and cash equivalents at beginning of period		**104 359**	126 724
Cash and cash equivalents at end of period	**10**	**93 881**	104 359

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 interests**	**Total Equity**
Balance at January 1, 2012	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	537 806	491	538 296
Comprehensive income for the period	-	-	6 916	84 050	90 966	617	91 583
Dividend paid	-	-	-	(4 473)	(4 473)	-	(4 473)
Value of services under stock options scheme	-	-	-	1 132	1 132	-	1 132
Balance at December 31, 2013	**44 726**	**99 156**	**23 551**	**457 997**	**625 430**	**1 108**	**626 538**

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 2012. 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.

The Company has not tested any of the vessels for impairment this quarter due to lack of indicators. There has been a considerable increase in broker values and higher market rates compared to previous quarters.

Cancellation of vessels under construction

The Company has not cancelled any further newbuilding in the fourth quarter. In total the Company has cancelled nine newbuilding contracts during 2012 and 2013. The yard has referred all the matters to arbitration. The installments and accrued cost have been classified as short term receivable. Management expects refunds to exceed the recorded receivable. Debt obtained directly to fund the installments on the cancelled vessels under construction is classified as short term debt, as it falls due following the final arbitration award.

3. OTHER REVENUE

(in thousands of $)	**12/31/2013**	12/31/2012
Management fee revenues	**1 366**	1 591
Other revenues	**31 078**	1 112
Total other revenue	**32 444**	2 703

Other revenue of $30.0 million is related to the settlement for non-performance of a ten year charter received in the second quarter of 2013.

4. OTHER GAINS/(LOSSES) NET

(in thousands of $)	**12/31/2013**	12/31/2012
Gain/(loss) on Forward freight agreements	**7 368**	(2 509)
Gain/(loss) on bunkers derivatives	**(77)**	(634)
Income from associates / JV's	**4 149**	1 422
Total other gains/(losses) net	**11 440**	(1 720)

5. INTEREST EXPENSE

(in thousands of $)	**12/31/2013**	12/31/2012
Interest on bank overdrafts and loans	**12 440**	15 792
Interest on obligations under finance leases	**8 197**	8 741
Total interest expense	**20 637**	24 533
Less amounts included in the cost of qualifying assets	**(1 522)**	(3 177)
Net interest expense	**19 115**	21 356

6. OTHER FINANCIAL ITEMS

(in thousands of $)	**12/31/2013**	12/31/2012
Foreign exchange gain/ (losses)	**-**	138
Interest swap	**6 187**	(4 913)
Dividend received	**-**	1 219
Other financial items	**1 236**	840
Total other financial items	**7 423**	(2 717)

Total interest rate swap gain in the fourth quarter was $0.6 million. The unrealized portion of the interest rate swap was a gain of $1.6 million while the realized portion was a loss of $1.0 million.

7. VESSELS AND EQUIPMENT, NET

The Group has the following owned vessels at December 31, 2013.

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
Golden Brilliant	2013	74 500	Hong Kong
Golden Pearl	2013	74 187	Hong Kong
Golden Diamond	2013	74 187	Hong Kong

(in thousands of $)	*Vessels*	*Docking and periodic maintenance*	*Fixtures and Equipment*	*Total*
Cost:				
At January 1, 2012	732 825	4 052	454	737 331
Additions	1 206	3 430	7	4 643
Transferred from vessels under construction (note 9)	34 421	-	25	34 446
At December 31, 2012	768 452	7 482	486	776 420
At January 1, 2013	768 452	7 482	486	776 420
Additions	51 803	3 486	10	55 299
Transferred from vessels under construction (note 9)	29 214	1 000		30 214
At December 31, 2013	**849 469**	**11 968**	**496**	**861 932**
Accumulated depreciation and impairment:				
At January 1, 2012	97 697	1 815	378	99 890
Impairment	38 600	-	-	38 600
Depreciation	25 117	1 266	30	26 413
At December 31, 2012	161 414	3 081	408	164 903
At January 1, 2013	161 414	3 081	408	164 903
Depreciation	27 192	2 025	25	29 242
At December 31, 2013	**188 606**	**5 106**	**433**	**194 144**
Carrying amount:				
At December 31, 2013	**660 863**	**6 862**	**63**	**667 788**
At December 31, 2012	607 038	4 401	78	611 517

The Group has pledged all of owned vessels to secure various banking facilities (note 14).

8. VESSELS HELD UNDER FINANCE LEASES, NET

The Group has the following vessels on financial lease at December 31, 2013.

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, 2012	176 159
At December 31, 2012	176 159
At January 1, 2013	176 159
At December 31, 2013	**176 159**
Accumulated depreciation:	
At January 1, 2012	28 168
Depreciation	7 774
At December 31, 2012	35 942
At January 1, 2013	35 942
Depreciation	9 422
At December 31, 2013	**45 364**
Carrying amount:	
At December 31, 2013	**130 795**
At December 31, 2012	140 217

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

Due to previous years weak market, the purchase options for three of the vessels has been above market values and the depreciation plan has been adjusted to meet the financial lease obligation by the end of the charter period.

9. VESSELS UNDER CONSTRUCTION

(in thousands of $)	
At January 1, 2012	216 964
Additions	40 522
Cancellations - transferred to short term receivables	(100 325)
Impairment	8 312
Disposals	(14 970)
Transferred to vessels and equipment (note 7)	(34 421)
At December 31, 2012	116 082
At January 1, 2013	116 082
Additions	22 288
Cancellations - transferred to short term receivables	(92 012)
Transferred to vessels and equipment (note 7)	(30 214)
At December 31, 2013	**16 144**

The Company has by end of fourth quarter of 2013 cancelled all nine newbuilding contracts (nil in Q4) from Zhoushan Jinhaiwan Shipyard Co. Ltd. The instalments and accrued cost have been classified as short term receivable. Management expects refunds to exceed the recorded receivable.

Additions include instalments, interest and supervision on newbuildings.

10. CASH AND CASH EQUIVALENTS INCLUDING RESTRICTED CASH

(in thousands of $)	**12/31/2013**	12/31/2012
Current accounts	**81 381**	84 859
Short-term deposits	**12 500**	19 500
Cash and cash equivalents, non restricted	**93 881**	104 359
Restricted cash	**4 960**	8 178
At December 31, 2013	**98 841**	112 537

11. TRADE AND OTHER RECEIVEABLES

(in thousands of $)	**12/31/2013**	12/31/2012
Trade receivables, net	**7 343**	1 656
Other receivables	**15 867**	14 973
Prepayments	**10 873**	6 074
	34 083	22 703
Less non-current portion: other receivables	**(8 588)**	(8 026)
Current portion	**25 495**	14 677

12. INVESTMENT IN JOINT VENTURES

(in thousands of $)	**12/31/2013**	12/31/2012
Investment in UFC	**1 921**	1 248
Investment in Golden Magnum Inc	**7 184**	-
Investment in Golden Opus Inc	**8 200**	-
Investment in Seateam (25%)	**114**	-
Total investment in Joint Venture	**17 419**	1 248

The investment in Joint Ventures covers company investment and accumulated results.

13. DERIVATIVE FINANCIAL INSTRUMENTS

(in thousands of $)	**12/31/2013**	12/31/2012
Interest derivatives	**2 566**	(7 574)
Bunkers derivatives	**169**	(207)
Derivative financial instruments, net	**2 735**	(7 782)

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(in thousands of $)	**12/31/2013**	12/31/2012
Greenship	**12 644**	-
Korea Line	**4 166**	-
Knightsbridge	**107**	-
Total available for sale-financial assets	**16 916**	-

15. LONG – TERM DEBT

(in thousands of $)	**12/31/2013**	12/31/2012
Within one year	**84 414**	68 733
Between one and two years	**77 451**	115 343
Between two and five years	**180 172**	196 163
After five years	**67 373**	16 940
Total debt	**409 410**	397 179
Current portion	**(84 414)**	(68 733)
Long-term debt, nominal value	**324 996**	328 446
Value of sellers credit	**(1 029)**	-
Deferred transaction costs	**(4 362)**	(4 013)
Long-term debt, net	**319 605**	324 432

All debt is secured by mortgages over sailing vessels and vessels under construction.
As part of the acquisition of Golden Pearl and Golden Diamond, the Company obtained a sellers credit of $15.2 million.

All debt related to the cancelled newbuildings has been classified as short term debt as it falls due following the final arbitration award.

Long-term debt and finance lease liabilities:

(in thousands of $)	**12/31/2013**	12/31/2012
Non-current		
Bank borrowings and sellers credit	**319 605**	324 432
Finance lease liabilities	**110 416**	118 055
	430 021	442 487
Current		
Bank borrowings and sellers credit	**84 414**	68 733
Finance lease liabilities	**7 370**	6 837
	91 784	75 570
Total borrowings	**521 805**	518 057

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 2.68. The interest rate is mainly repriced on a monthly basis, while some facilities are repriced on a quarterly basis.

16. OBLIGATIONS UNDER FINANCE LEASE

	Within one year		**2-5 years**		**6-10 years**		**Total**	
(in thousands of $)	**12/31/2013**	12/31/2012	**12/31/2013**	12/31/2012	**12/31/2013**	12/31/2012	**12/31/2013**	12/31/2012
Minimum Lease Payments								
Interest	**7 501**	8 096	**28 652**	32 323	**4 609**	8 450	**40 762**	48 869
Purchase option	**-**	-	**55 017**	55 017	**33 550**	33 550	**88 567**	88 567
Instalments	**7 370**	6 837	**18 852**	24 388	**2 996**	5 100	**29 218**	36 325
Total Minimum Lease	**14 871**	14 933	**102 521**	111 728	**41 155**	47 100	**158 547**	173 761
Present Value of Lease Obligations							**117 785**	124 892
Current portion							**7 370**	6 837
Non-current portion							**110 416**	118 055

The Group has recorded finance leases on four vessels at December 31, 2013 (and 2012).The Group has purchase options and the exercise price of the option changes based upon the date the option is exercised.

The table below lays out the approximate latest 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 JPY1.64 billion and JPY1.75 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, 2013 would have been $15.6 million related to Ocean Minerva and $16.6 million on Golden Heiwa. In the third quarter of 2012 the Company reassessed the likelihood of exercising the purchase option denominated in JPY. The Company then assumed 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 of reassessment was made (shown in the table above).

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.

17. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

(in thousands of $)	**12/31/2013**	12/31/2012
Trade payables	**1 512**	1 473
Accruals	**6 273**	5 822
Deferred revenue	**27 540**	32 037
Other current liabilities	**1 858**	3 378
Total	**37 183**	42 710

Deferred revenue relates to time charter revenue received in advance for future periods.

The Company received $14.1 million dollars as income in advance during the fourth quarter of 2013. The amount relates to prepaid hire for 1 year for three vessels. This is an extension of the agreement with the charterer we received $ 25.0 million dollars in fourth quarter of 2012.

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

18. CAPITAL COMMITMENTS

(in thousands of $)	**Within one year**		**2-5 years**		**Total**	
	12/31/2013	12/31/2012	**12/31/2013**	12/31/2012	**12/31/2013**	12/31/2012
Vessels and equipment	**-**	-	**-**	-	**-**	-
Vessels under construction	**23 511**	93 270	**171 764**	-	**195 275**	93 270
Total	**23 511**	93 270	**171 764**	**-**	**195 275**	93 270

Five of the Supramax vessels are expected to be delivered during first half of 2015 while the remaining three are expected to be delivered during first half of 2016. None of the vessels under constructions are currently financed.

19. OPERATING LEASES

Rental expense
The future minimum rental payments under the Group's non-cancellable operating leases as of December 31, 2013 are as follows:

(in thousands of $)	**12/31/2013**	12/31/2012
Within one year	**25 099**	10 440
In the second to fifth years	**17 351**	6 238
Total minimum lease payments	**42 450**	16 678

Total rental expense for the period ended December 31, 2013 for operating leases was $57 723 (December 31, 2012:$29 747). The increased operating lease commitment, since the year ended December 31, 2012 is due to higher activity in the spot market.

Rental income

The minimum future revenue (including owned vessels) to be received under the Group's non-cancellable operating leases as of December 31, 2013 is as follows:

(in thousands of $)	**12/31/2013**	12/31/2012
Within one year	**67 251**	117 494
In the second to fifth years	**164 207**	197 188
Later than five years	**55 918**	107 094
Total minimum lease revenue	**287 376**	421 776

Total rental income from operating leases was $276 457 for the period ended December 31, 2013 (December 31, 2012:$227 137).

20. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial Risk

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.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2012. There have been no changes in the risk management department or in any risk management policies since the year end.

Fair value estimation

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2013:

(in thousands of $)	**Level 1**	**Level 2**	**Total**
At December 31, 2013			
Assets			
Available-for-sale financial assets	**4 272**	**12 644**	**16 916**
Derivative financial instruments (interest swap)	**-**	**2 735**	**2 735**
Total assets	**4 272**	**15 379**	**19 651**
Liabilities			
Derivative financial instruments	**-**	**-**	**-**
Total liabilities	**-**	**-**	**-**

(in thousands of $)	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

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.

Valuation techniques used to derive Level 2 fair values.
Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

Fair value of financial assets and liabilities measured at amortised cost.
The fair value of borrowings, trade and other receivables, other current financial assets, cash and cash equivalents (excluding bank overdrafts), and trade and other payables approximate their carrying amount.

21. SUBSEQUENT EVENTS

In January 2014 the Company issued a $200 million Convertible Bond with a 5 year tenor and Cupon of 3.07% p.a. The Conversion Price is currently at 2.86 $/share. The Conversion Price will be adjusted for any dividend payments from the Company.

The Company has acquired three 2012 Korean built 81.500 dwt Kamsarmax bulk carriers. These sister vessels are bought in an "enblock" transaction. They will be delivered to the Company within end of April 2014. One of the vessels is fixed out on an index linked Time Charter Contract until second quarter 2016. Charters are paying a premium of 13% compared to the Baltic average four time charter Panamax routes reflecting the earning capacity of the vessels. The second vessel is on a Time Charter contract until fourth quarter 2014 at $15.881 (net) and the third vessel will be redelivered to Owners from the current Time Charter contract at the end of second quarter 2014.