



GOLDEN OCEAN™



GOLDEN OCEAN™

Consolidated financial statements 2013

Annual Report 2013

Golden Ocean Group Limited Index to the Annual Report

Director's report 2013

Consolidated Comprehensive Income Statement for the year ended December 31, 2013

Consolidated Balance Sheet as at December 31, 2013

Consolidated Cash Flow Statement for the year ended December 31, 2013

Consolidated Statement of Changes in Equity for the year ended December 31, 2013

Notes to Consolidated Financial Statements

Independent auditor's report 2013

Responsibility Statement from the Board of Directors and President/CEO

Corporate Governance statement 2013

DIRECTORS' REPORT FOR GOLDEN OCEAN GROUP LIMITED FOR THE YEAR ENDED DECEMBER 31, 2013

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. During 2013 the Company also took exposure towards the Supramax market by entering into eight Supramax newbuilding contracts with vessels to be delivered in 2015 and 2016. The Golden Ocean 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 22 vessels and has at the same time eight Supramax under construction, as per year end 2013. 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 2013 but entering 2014 the coverage is reduced and the Company is well positioned towards the expected upturn in the dry bulk freight rates in the years to come.

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 Supramax, 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 newbuilding contracts, 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

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.

HIGHLIGHTS IN 2013

During 2013 the dry bulk market recovered somewhat from the historically low levels experienced in 2012. The Company has during the year gradually changed the strategy from being protective of the Balance Sheet to increase its market exposure and thereby positioning the Company towards the expected upturn in the years to come. The main events for the Company in 2013 are listed below.

In January 2013 the Company took delivery of Golden Brilliant from Pipavav Defence and Offshore Engineering Company Limited (“Pipavav”). At the same time the remaining two optional contracts were assigned to third parties. This concluded the Company’s newbuilding program at this yard.

In March 2013 the Company entered into an agreement with Japan Marine United Corporation (“JMU”) in Japan for the construction of two 60,000 dwt Supramax bulk carriers. The design provided by JMU

represents the future design for Supramax bulk carriers using the latest technology available in order to secure fuel efficiency. The vessels are expected to be delivered during the first quarter of 2015.

In May 2013, the Company acquired a 2009 Korean built 180,000 dwt Capesize bulk carrier (Golden Magnum). The vessel was bought jointly on a 50/50 basis with a strategic partner (cargo owner) and delivered to the Joint Venture at the end of June 2013. The Company has in March 2014 acquired 50% of the shares from the partner and the vessel is at the time of the report owned fully by Golden Ocean.

In May 2013, the Company entered into an agreement to buy two ice class Panamax vessel resales built at Pipavav. Golden Ocean took delivery of the vessels ex yard, the first vessel at the start of June and the second vessel at the start of October 2013. In connection with the purchase the seller provided a 30% seller's credit towards Golden Ocean for each vessel. At the same time the Company obtained regular bank financing of 65% of the contract price.

In May 2013 Golden Ocean entered into an agreement to settle the dispute regarding its claim with respect to a contractual non-performance that took place in 2010. The claim was raised in relation to the delivery of one of the Company's vessels on a then 10-year charter agreement. The Company received a \$30 million cash payment in settlement of its claim

In June 2013 the Company entered into an agreement with Chengxi Shipyard Co. Ltd ("Chengxi") and China Shipbuilding and Trading Company Limited ("CSTC") for the construction of three 64,000 dwt Supramax bulk carriers and also obtained an option to extend the order for another three vessels. The optional contracts were declared in October 2013. The first three vessels will be delivered to the Company during first half 2015 and the last three vessels will be delivered during first half 2016.

In September 2013 Joint Ventures owned 50 per cent by the Company acquired a 2010 Korean built 180,000 dwt Capesize bulk carrier (Golden Opus) and a 2010 Chinese built Handysize bulk carrier (Golden Azalea). The vessels were bought together in an en block transaction. The Joint Venture owning Golden Azalea resold the vessel and she was delivered to new owners early November 2013. This Joint Venture booked a profit on the resale and was closed during fourth quarter 2013. The net proceeds was paid out to the partners prior to year end 2013.

In October 2013 The Company entered into a seven year Time Charter contract with three optional years and purchase option for a 58,000 dwt Japanese built Supramax with delivery in first half 2015.

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

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 2012 the Company started to exercise its rights to cancel construction contracts with Zhoushan Jinhaiwan Shipyard Co. Ltd. ("Jinhaiwan") due to late delivery of the contracted vessels. At the end of 2013 all nine construction contracts were cancelled and Jinhaiwan had taken all the cancellations to arbitration. In total the Company has paid in installments of \$175.3 million and of this \$43.2 million is financed with bank debt. The installments are secured by refund guarantees by two of the four top Chinese banks. The arbitration processes are at various stages at the time of this report and the Company expects most of these to be finalized during 2014.

During 2013 the Company received shares in Korea Line Corporation ("KLC") as a part of their rehabilitation process. In total the Company received 176,397 shares of which 6,355 shares were sold during third quarter. In addition KLC settled their remaining debt by paying \$1.1 million as a cash settlement in the fourth quarter. The Company now holds in total 170,042 shares in KLC which are the only remaining assets from the default of KLC.

During 2013 the asset values has recovered from the levels seen at the end of 2012 and the Company has not made any additional down payments on the loan agreements after January 2013. The Company's strong cash position made it possible to honour all loan agreements without any waivers or amendments to the agreements during the downturn experienced since early 2011.

From second quarter 2013 the Board decided to reinstate a dividend payment and the Company has paid a total of \$0.045 per share related to the last three quarters of the year.

In January 2014 the Company issued a \$200 million Convertible Bond with a 5 year tenor and Coupon of 3.07% p.a. After adjustment for the latest dividend paid the Conversion Price is at the end of March 2014 \$2.82/share. The Conversion Price will in the future be further adjusted for any dividend payments from the Company.

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. These are expected to be delivered to the Company before the end of April 2014.

FINANCIAL REVIEW

Income statement

The Company's total operating revenues for 2013 were \$308.9 million, which is \$79.1 million higher than the total operating revenues for 2012. The revenue is up largely due to higher activity in short term trading and from the cash settlement of \$30 million related to a contractual non-performance from 2010. Short term trading revenue was up from \$54.3 million in 2012 to \$104.8 million for the year. The high contract coverage on the owned tonnage resulted in stable income from these vessels during 2013.

For the full year 2013 the operating profit was \$95.3 million, up from \$34.4 million in 2012. The 2013 figures include the above mentioned revenue of \$30 million for non-performance of a ten year charter the Company received in the second quarter. The 2012 numbers include an impairment of \$30.3 million on vessels.

The Company's profit for the year was \$84.5 million which is equivalent to earnings per share of \$0.19. In 2012 the Company had a profit of \$11.6 million and earnings per share of \$0.03.

The Company's comprehensive income for the year was \$91.4 million (2012: \$11.6 million).

Balance sheet

As at December 31, 2013, the Company's total assets were \$1,188 million. This is \$78.0 million higher than at the start of the year. Total current assets increased by \$111.7 million whereas non-current assets decreased by \$33.6 million.

Current liabilities increased by \$2.8 million to \$130.2 million at year end. Total non-current liabilities decreased by \$12.8 million to \$431.9 million. Net interest bearing debt at year end 2013 amounted to \$423.0 million, compared to \$405.5 million in the preceding year. In addition to ordinary repayment of debt of \$36.8million the Company paid down \$7.5 million related to a drop in asset values in the fourth quarter 2012. The Company added new debt of \$33.9 million related to vessels purchased during the year.

The Company's total equity increased from \$538.3 million to \$626.4 million during 2013. This reflects the total Comprehensive Income for the year of \$91.4 million.

Cash flow

Golden Ocean Group Limited had as of December 31, 2013 free cash and cash equivalent balance totaling \$93.9 million, which is a decrease of \$10.5 million compared to the preceding year. For the year the net cash provided by operating activities amounted to \$95.3 million, compared to \$121.1 million in 2012. Net cash used in investing activities amounted to \$80.1 million. Of this, \$62.7 million was used on installments for newbuildings and purchase of vessels, \$10.0 million was invested in units in Greenship Bulk Trust and \$13.3 million was used for investment in Joint Ventures. Net cash used in financing activities was \$25.7.

Going Concern

The Company considers itself to be in a financially healthy position. 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 500 seafarers onboard its vessels. In 2013, Golden Ocean had two incidents that required medical treatment and three incidents were classified as Lost Time Injuries (LTIs). LTI frequency changed from one incident in 2012 to three in 2013 and incidents requiring medical treatment were two in 2013, the same as 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 2013. The absence due to sickness (Restricted work cases frequency-RWCF) is 0.22.

HUMAN RESOURCES AND DIVERSITY

Golden Ocean had at year end 17 employees onshore. Females constituted 17 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 Hemen Holding Limited, is indirectly controlled by trusts established by Mr. John Fredriksen, the Company's Chairman, President and CEO, for the benefit of his immediate family. Hemen Holding Limited controls some 41 percent of the Company. In the shareholder register as of December 31, 2013 no other shareholder owns or controls more than 10 percent of the Company's shares. In total the twenty largest shareholders control some 60 percent of the shares, with the remaining held by more than 8,000 investors. The number of outstanding shares in Golden Ocean per December 31, 2013 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 currently coming down to more sustainable levels after a period of large deliveries 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 the Company has entered and may enter into some hedging transactions to partially mitigate the risk of exchange rate and interest rate fluctuations, such hedging or the hedging policy may not adequately cover our exposure to interest rate and exchange rate fluctuations.

STRATEGY AND OUTLOOK

Early 2014 the Company added three additional vessels to its fleet and following previous acquisitions a total of 15 new assets have been contracted since the start of 2013. Eight out of the 15 vessels are Supramax new buildings and 2 are Capesizes owned jointly with a strategic partner.

Following the successful placement of a convertible bond in January 2014 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 profile and 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 the Panamax / Kamsarmax fleet has an average coverage of 40 per cent 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 therefore 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. During the 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.

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



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 28, 2014
Board of Directors
Golden Ocean Group Limited
Oslo, March 28, 2014
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/ Georgina Sousa
Georgina Sousa
Director



Golden Ocean Group Limited
Consolidated Comprehensive Income Statement

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

		Year ended December 31	
		2013	2012
	Note		
Operating revenue			
Revenue	3	276 457	227 137
Other operating income	3	32 444	2 703
Total operating revenue	3	308 901	229 840
Operating expenses			
Voyage expenses and commission		70 448	37 054
Impairment of trade receivables	17	-	6 199
Vessel operating expenses		46 012	41 468
Charter hire expenses		57 723	29 747
Administrative expenses	4	12 233	13 207
Depreciation and amortisation	12,13,14	38 664	35 792
Impairment of vessels and vessels under construction	5,12,14	-	30 288
Total operating expenses		225 079	193 755
Other gains/losses net			
Other gains/(losses) net	6	11 440	(1 720)
Total other gains/(losses) net		11 440	(1 720)
Operating profit		95 262	34 365
Interest income	7	1 096	1 372
Interest expense	8	(19 115)	(21 356)
Other financial items	9	7 423	(2 717)
Total net financial items		(10 596)	(22 701)
Profit before income tax		84 666	11 664
Income tax	10	(174)	(67)
Profit for the year		84 492	11 597
Profit attributable to:			
Owners of the parent		83 875	11 602
Non-controlling interests		617	(5)
Profit for the year		84 492	11 597
Basic and diluted earnings per share	11	\$0.19	\$0.03
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Changes in fair value of available-for-sale financial assets	18	6 916	-
Total comprehensive income for the year		91 408	11 597
Comprehensive income attributable to:			
Owners of the parent		90 791	11 602
Non-controlling interests		617	(5)
Total comprehensive income for the year		91 408	11 597

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



Golden Ocean Group Limited
Consolidated Balance Sheet

		As at December 31	
(in thousands of \$)		2013	2012
Notes			
ASSETS			
Non current assets			
Vessels and equipment, net	12	667 788	611 517
Vessels held under finance leases, net	13	130 795	140 217
Vessels under construction	14	16 144	116 082
Other long term receivables	17	8 588	8 026
Investment in associated companies / JV	15	17 419	1 248
Total non-current assets		840 734	877 090
Current assets			
Inventories		10 775	5 750
Trade and other receivables	17	25 495	14 677
Derivative financial assets	29	2 735	-
Refundable installments for cancelled newbuildings	14	192 976	100 325
Available-for-sale financial assets	18	16 916	-
Cash and cash equivalents incl. restricted cash	16	98 841	112 537
Total current assets		347 737	233 289
Total assets		1 188 471	1 110 379
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	19	44 726	44 726
Additional paid in capital		99 156	99 156
Other reserves	20	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	21	319 605	324 432
Obligations under finance leases	22	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	21	84 414	68 733
Obligations under finance leases – current portion	22	7 370	6 837
Derivative financial liabilities	29	-	7 782
Amount due to related parties	23	1 216	1 328
Trade payables and other current liabilities	24	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 \$)

		2013	2012
OPERATING ACTIVITIES			
Profit for the year		84 492	11 597
Adjustments for:			
Capitalised docking and periodic maintenance		(1 485)	(3 430)
Value of services under stock option scheme	27	1 172	989
Gain on sale and Impairment of available-for-sale financial assets	18	(339)	(505)
Share of (profit) / loss from associates/JV's		(4 149)	(1 422)
Interest income	7	(1 096)	(1 372)
Interest expensed		10 280	20 581
Depreciation and amortisation	12,13	38 664	35 791
Amortisation of deferred charges		638	775
Impairment of owned vessels and vessels under construction	5,12,14	-	30 288
Net change in:			
Other long-term receivables and liabilities		(864)	(966)
Amount due to related parties		(112)	675
Derivative instrument receivable / payable amounts	29	(10 516)	2 063
Trade and other receivables	17	(10 818)	8 111
Inventories		(5 025)	(1 160)
Trade payables and other current liabilities	24	(5 526)	19 039
Net cash provided by operating activities		95 315	121 055
INVESTING ACTIVITIES			
Changes in restricted cash	16	3 217	3 382
Interest received	7	1 096	1 372
Payments on vessels		(62 680)	(41 431)
Investment in shares-available for sale		(10 000)	-
Investment in Joint Venture		(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)
Payment of interest		(10 103)	(20 522)
Purchase of treasury shares		-	(4 154)
Repayment of obligations under finance leases		(6 594)	(6 255)
Repayment of long term debt		(36 770)	(127 864)
Proceeds from long term debt		33 947	11 250
Repayment of convertible bonds		-	(7 700)
Stock options paid in cash		(40)	-
Payment of dividends	31	(4 473)	(22)
Net cash (used in) / provided by financing activities		(25 742)	(157 297)
Net change in cash and cash equivalents		(10 478)	(22 364)
Cash and cash equivalents at beginning of period		104 359	126 724
Cash and cash equivalents at end of period	16	93 881	104 359

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



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, 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	83 875	90 791	617	91 408
Purchase and cancellation of treasury shares	-	-	-	-	-	-	-
Currency translation / other	-	-	-	-	-	-	-
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	457 823	625 256	1 108	626 364

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 and has in addition eight Supramax newbuilding contracts. 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 as adopted by the EU. 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 or 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 according 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 19R). Changes in the pension obligations is based on discounted present value of future estimated pension benefits earned on the balance sheet date - given certain Company premises.

(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) 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 minimum five next 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.

(h) 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.

(i) 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(n). 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.

(j) 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.

(k) 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).

(l) 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.

(m) Recent accounting pronouncements

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2013.

IAS 1 (amendment) 'Financial statement presentation' regarding other comprehensive income, effective 1 January 2013. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

IAS 19, 'Employee benefits' was revised in June 2011. The changes on the group's accounting policies has been as follows: to immediately recognize all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

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.

New standards and interpretations not yet adopted

IAS 28 (revised), 'Associates and joint ventures', effective 1 January 2014. IAS28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

IFRS 10 'Consolidated financial statements' (effective 1 January 2014). 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. The standard define the principle of control, and establishes controls 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.

IFRS 11 'Joint arrangements' (effective 1 January 2014). 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 2014). 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 9 Financial Instruments addresses the classification, measurement, and recognition of financial assets, financial liabilities and hedge accounting. IFRS 9 was issued in November 2009, October 2010 and November 2013. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for a financial liability, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. IFRS 9 includes a number of changes and simplifications that increase the possibilities for employing hedge accounting. The Group is yet to assess IFRS 9's full impact. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board. The implementation date for IFRS 9 is not yet decided, but will be earliest 1 January 2017.

(n) 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

As discussed in note 2(g, i) the Group reviews at each balance sheet day its non-current assets for any indicators related to new impairment or reversal of earlier impairment. In order to assess if any new 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.

The Group tested all its assets after quarter one and none of the assets had values that was below book value based on our value in use model described in 2(g). Due to a considerable increase in newbuilding prices, second hand values, market rates and other indicators after quarter one, no further impairment test have been carried out per year end.

Refundable installments for cancelled newbuildings

The installments and accrued cost related to the cancelled newbuilding contracts has been classified as short term receivable. Management expects refunds to exceed the recorded receivable. Debt related to the cancelled newbuilding contracts of \$43.2 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, 2013. 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, 2013) 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.

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 from 2012. As Sanko has entered into formal rehabilitation proceedings in Japan, the Company has considered it unlikely to receive the outstanding amount. The Company has therefore made a provision for the outstanding receivable at \$6.2 million in 2012.

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>	2013	2012
Time charter and voyage charter revenue	276 457	227 137
	276 457	227 137
Other operating revenue	32 444	2 703
Total operating revenue	308 901	229 840

The Group has two counterparts that contribute more than 10% of the total operating revenues. One contributes to about 18% of the total operating revenues amounting to \$54.3 million (2012:\$45.9 million) and the other counterpart contributes to about 13% amounting to \$37.7 million (2012:\$28.8 million).

Other operating revenue of \$32.4 million in 2013 (2012: \$2.7 million) is related to the settlement for non-performance of a ten year charterer of \$30.0 million and 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>	2013	2012
Employee benefit expense	6 437	6 314
Auditors' remuneration	213	228
Directors fee	271	270
Professional fees	3 406	4 314
Office and Travel expenses	1 906	2 081
Total Administrative expenses	12 233	13 207

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

The Group has not booked any impairment for 2013. In 2012 the Company booked an impairment of \$ 30.3 million.

The impairment test carried out by the Company compares the book value of each asset with 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. The Company recorded the impairment for 2012 based on value in use calculations.

6. OTHER GAINS/ (LOSSES) NET

<i>(in thousands of \$)</i>	2013	2012
Gain/(loss) on bunkers hedge	(77)	(634)
Income from associates / JV's	4 149	1 422
Gain/(loss) from freight future contracts	7 368	(2 509)
Other gains/(losses) net	11 440	(1 720)

7. INTEREST INCOME

<i>(in thousands of \$)</i>	2013	2012
Interest on bank deposits	1 096	1 372
Total interest income	1 096	1 372

8. INTEREST EXPENSE

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

9. OTHER FINANCIAL ITEMS

<i>(in thousands of \$)</i>	2013	2012
Foreign exchange gain/ (losses)	-	138
Dividend received	-	1 219
Interest swap	6 187	(4 913)
Other financial items	1 236	840
Other financial items	7 423	(2 717)

The fair value of the interest swap on December 31, 2013 was a receivable of \$2.6 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 \$174 000 (2012: \$62 000) and for Golden Ocean Management Asia Pte. Ltd. was \$nil (2012: \$5 000). The tax charge for Golden Ocean (Cyprus) Limited was \$nil (2012:\$nil).

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>	2013	2012
Earnings for the purposes of basic earnings per share (profit for the year attributable to equity holders of the parent)	83 875	11 602
Effect of interest expense on convertible debt	-	129
Earnings for the purposes of diluted earnings per share	83 875	11 731
<i>(in thousands of shares)</i>	2013	2012
Weighted average number or ordinary shares for the purposes of basic earnings per share	447 262	453 500
Effect of dilutive potential ordinary shares:		
Stock options employees	4 945	-
Weighted average number or ordinary shares for the purposes of diluted earnings per share	452 207	453 500
<i>(in \$)</i>	2013	2012
Earnings per share basic	\$0.19	\$0.03
Earnings per share fully diluted	\$0.19	\$0.03

Both the stock options granted during 2012 (4,500,000) and the stock options granted in 2009 (500,000) were in the money at the end of 2013. These stock options are therefore considered to have a dilutive effect on earnings per share fully diluted. Out of the 4,500,000 options granted during 2012, 55,000 options were declared during 2013. The Company exercised its rights to settle this in cash.

12. 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

<i>(in thousands of \$)</i>				
	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 14)	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 14)	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
Impairment (note 5)	-	-	-	-
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	660 862	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 21).

The Group took delivery of three Ice class Panamax Vessels in 2013: Golden Brilliant was delivered in the first quarter. Golden Pearl in the second quarter and Golden Diamond in the fourth quarter of 2013

(all Pipavav built). In first quarter of 2013, the Group carried out a review of the recoverable amount of its fleet (see note 5).

13. VESSEL 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 depreciated on the same basis as owned vessels.

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>	<i>New Buildings</i>
At January 1, 2012	216 964
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	116 082
At January 1, 2013	116 082
Additions	22 288
Cancellations - transferred to short term receivables	(92 012)
Transferred to vessels and equipment (note 12)	(30 214)
At December 31, 2013	16 144

None of the vessels under construction are pledged as security to any banking facilities (note 21). The Group has by end of 2013 entered into eight newbuilding contracts (Supramaxes). Five vessels will be delivered in first half 2015 and three vessels is expected to be delivered in first half 2016.

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

Refundable installments for cancelled newbuildings

The Company has by end of 2013 cancelled nine 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.

15. INVESTMENT IN ASSOCIATED COMPANIES AND JOINT VENTURES

Investment in associated companies and Joint Ventures

<i>(in thousands of \$)</i>	UFC	Golden Magnum Inc.	Golden Opus Inc.	Golden Azalea Inc.	Seateam	2013	2012
	50 %	50 %	50 %	50 %	25 %		
At 1 January	1248	-	-	-	-	1 248	1 576
Additions	-	6 351	6 925	6 400	-	19 675	-
Disposals/Dividends	-	-	-	(7 653)	-	(7 653)	(1 750)
Share of profit	673	834	1276	1253	114	4 148	1422
At 31 December	1921	7184	8200	-	114	17419	1248

Summarized balance sheet associated companies and Joint Ventures

(in thousands of \$)	UFC 50 %	Golden Magnum Inc. 50 %	Golden Opus Inc. 50 %	Golden Azalea Inc. 50 %	Seateam 25 %	2013	2012
Current							
Cash and cash equivalents	3 606	804	-	-	-	4 410	2 661
Other current assets	1 848	4 586	4 845	-	456	11 735	2 587
Total current assets	5 454	5 390	4 845	-	456	16 145	5 247
Financial liabilities	-	952	458	-	-	1 410	-
Other current liabilities	1 612	1 077	295	-	-	2 984	2 751
Total current liabilities	1 612	2 029	753	-	-	4 394	2 751
Non-current							
Assets	-	33 310	33 630	-	-	66 940	-
Financial liabilities	-	22 303	21 322	-	-	43 625	-
Other liabilities	-	-	-	-	-	-	-
Total non-current liabilities	-	22 303	21 322	-	-	43 625	-
Net total assets	3 842	14 368	16 400	-	456	35 066	2 496

16. CASH AND CASH EQUIVALENTS INCLUDING RESTRICTED CASH

(in thousands of \$)	2013	2012
Current accounts	81 381	84 859
Short-term deposits	12 500	19 500
Cash and cash equivalents at year end	93 881	104 359
Restricted cash	4 960	8 178
Cash and cash equivalents including restricted cash at year end	98 841	112 537

Details of restricted cash are given in note 29.

17. TRADE AND OTHER RECEIVABLES

(in thousands of \$)	2013	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

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 (when the 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 three years from the end of the reporting period. The non-current amount due is \$10.0 million and the discounted amount per year end is \$8.6 million (based on a 7% discount rate). The non-current receivables are secured with a mortgage in the sold vessel.



The Company has not taken any provisions for impairment for trade receivables in 2013. In 2012 the Company made a provision for impairment of trade receivables of \$6.2 million in relation to the hire outstanding from Sanko. The outstanding amount is therefore not included in trade receivables.

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

<i>(in thousands of \$)</i>	2013	2012	Fair value 2013	2012
Trade receivables	7 343	1 656	7 343	1 656
Other receivables	15 867	14 973	16 050	15 193
	23 210	16 629	23 393	16 849

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 a margin for an appropriate credit rating (6% have been used for both 2013 and 2012).

As of December 31, 2013, trade receivables of \$3.6 million 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>	2013	2012
Up to 3 months	2 538	648
3 to 6 months	559	10
More than 6 months	556	485
	3 653	1 143

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

<i>(in thousands of \$)</i>	2013	2012
At 1 January	-	33 330
Additions	10 000	-
Net gains/(losses) transfer to equity	7 255	-
Disposals	(339)	(33 330)
At 31 December	16 916	-

<i>(in thousands of \$)</i>	2013	2012
<i>Listed Equity securities:</i>		
Korea Line Corporation - Asia	4 166	-
Knightsbridge Tankers Limited - US	107	-
<i>Unlisted Equity securities:</i>		
Greenship Bulk Trust - Europe	12 644	-
Total available for sale-financial assets	16 916	-

<i>(in thousands of \$)</i>	2013	2012
<i>Currencies:</i>		
NOK (Norwegian kroner)	12 644	-
KRW (Korean Won)	4 166	-
US dollar	107	-
Total available for sale-financial assets	16 916	-

19. SHARE CAPITAL

Authorised share capital is as follows:

<i>(in thousands of \$)</i>	2013	2012
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>	2013	2012
At January 1	447 261 796	456 990 107
Shares cancelled	-	(9 728 311)
At December 31, 2013	447 261 796	447 261 796

<i>(in thousands of \$)</i>	2013	2012
At January 1	44 726	45 699
Shares cancelled	-	(973)
At December 31, 2013	44 726	44 726

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.

The outstanding issued shares in Golden Ocean Group Limited are 447,261,796.

The twenty largest shareholders as at December 31, 2013 are as follows:

Name	Number of Shares	outstanding shares
Hemen Holding Limited	183 666 158	41,06 %
Skagen Kon-Tiki	21 821 808	4,88 %
Statoil Pensjon	8 066 765	1,80 %
Citibank, N.A	5 843 464	1,31 %
State Street Bank & Trust co.	4 537 973	1,01 %
Carling	4 350 000	0,97 %
J.P. Morgan Chase Bank N.A. London	4 085 975	0,91 %
Verdipapirfondet Dnb Norge	3 765 310	0,84 %
Clearstream Investments Inc	3 706 594	0,83 %
J.P. Morgan Chase Bank N.A. London	3 544 326	0,79 %
Odin Maritim	3 400 000	0,76 %
J.P. Morgan Chase Bank N.A. London	3 166 650	0,71 %
Equity Tri-party (3)	3 128 129	0,70 %
J.P. Morgan Chase Bank, N.A	2 763 247	0,62 %
Euroclear Bank S.A/N.V ('BA')	2 710 707	0,61 %
The bank of New York Mellon	2 517 311	0,56 %
Goldman Sachs & Co Equity segregat	2 483 279	0,56 %
State Street Bank & Trust co.	2 481 885	0,55 %
Dnb Nor Bank ASA	2 360 109	0,53 %
KLP Aksje Norge Indeks VPS	2 257 425	0,50 %
Total 20 largest shareholders	270 657 115	60,51 %
Other shareholders	176 604 681	39,49 %
Total	447 261 796	100,00%

Our principal shareholders Hemen Holding Ltd. and Farahead Investment Inc., which we refer to jointly as Hemen, are indirectly controlled by trusts established by Mr. John Fredriksen for the benefit of his immediate family. Farahead Investments Inc. 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, 2012	(2 465)	-	16 635	(61)	14 110
Other comprehensive income (loss)	-	-	-	-	-
Purchase and cancellation of treasury shares	2 465	-	-	-	2 465
Currency translation	-	-	-	61	61
At December 31, 2012	-	-	16 635	-	16 635
At January 1, 2013	-	-	16 635	-	16 635
Purchase and cancellation of treasury shares	-	-	-	-	-
Other comprehensive income (loss)	-	6 916	-	-	6 916
At December 31, 2013	-	6 916	16 635	-	23 551

21. LONG-TERM DEBT

<i>(in thousands of \$)</i>	2013	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, \$409.4 million (2012:\$397.2 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 2013 the reported broker values increased quarter by quarter. For this reason there were no requirements for extraordinary down payments in order to stay in compliance with the minimum value covenants in our loan facilities. The Company paid \$7.5 million in January 2013 (January 2012:\$18.0 million) based on broker values at year end 2012. That amount was classified as short term debt in December 31, 2012.

Long-term debt and finance lease liabilities

<i>(in thousands of \$)</i>	2013	2012
Non-current		
Bank borrowings	319 605	324 432
Finance lease liabilities	110 416	118 055
Total non-current borrowings	430 021	442 487
Current		
Bank borrowings	84 414	68 733
Convertible bond	-	-
Finance lease liabilities	7 370	6 837
Total current borrowings	91 784	75 570
Total borrowings	521 805	518 057

The short term debt does not include any extraordinary down payment during the first quarter 2014 in order to stay in compliance with the minimum value covenants as per December 31, 2013 (2012: \$7.5 million). All debt is in US Dollars (\$), at LIBOR plus a fixed margin of average 2.68% and is mainly repriced on a monthly basis.

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

22. OBLIGATIONS UNDER FINANCE LEASES

<i>(in thousands of \$)</i>	Within one year		2-5 years		6-10 years		Total	
	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	29 219	36 325
Total Minimum Lease	14 871	14 933	102 521	111 728	41 156	47 100	158 548	173 761
Present Value of Lease Obligations							117 786	124 892
Current portion							7 370	6 837
Non-current portion							110 416	118 055

It is the Group's practice to lease certain vessels under finance leases. The average remaining lease term is 4 years (2012: 5 years). The discount rate used to calculate the present value of minimum lease payment was an average of 7 percent (2012: 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, 2013 (December 31, 2012: 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, 2013 would have been \$15.6 million related to Ocean Minerva and \$16.6 million on Golden Heiwa. The Company reassessed the likelihood of exercising the purchase option denominated in JPY in the third quarter of 2012. The Company assumes to redeliver 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 pay Frontline a fixed fee of \$150 per day per owned vessel for technical management (In 2012 the Group paid a fee of \$2,000 per month per vessel). In the year ended December 31, 2013, the Group was charged \$1 177 000 (2012:\$473 000) under this arrangement. In addition the Group pay Frontline for supervision of vessels under construction and the Group was charged \$0.1 million (2012:\$3.0 million) during 2013 (supervision activity in 2013 only relates to the Supramax newbuildings since the earlier contracts was terminated in the beginning of the year due to cancellations with Jinhaiwan). The Group has administrative expenses related to the London office of \$143 000 (2012:\$149 000).

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 \$2 000 (2012: \$62 000) was charged in respect of the agency agreement. Remaining vessels under this contract were sold in first quarter of 2013.

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 \$714 000 in respect of this agreement.

In 2013 United Freight Carriers, the joint venture owned 50% by the Company, entered into charter contracts with Ship Finance International Limited for four of their drybulk carriers. The charter contracts include profit sharing and the joint venture paid \$0.8 million to Ship Finance International Limited related to these vessels in 2013.

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

	Amounts owed to related parties	
<i>(in thousands of \$)</i>	2013	2012
Frontline Ltd and subsidiaries	1 216	1 328
Total	1 216	1 328

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>	2013	2012
Managing director	671	730
Director fees	270	270
Share based payments	143	91
Total	1 084	1 091

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, 2013.

	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	0.22%

* Hemen is indirectly controlled by 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>	2013	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

The Company received \$14.1 million (2012: \$25.0 million) dollars as deferred revenue during the fourth quarter from one charterer. The amount relates to prepaid charter hire for one year for three vessels (2012: four 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 (2012:\$1.6 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	
	2013	2012	2013	2012	2013	2012
Vessels under construction	23 511	93 270	171 764	-	195 275	93 270

The capital commitment for the Company is related to two Supramax vessels from Japan Marine United Corp. and six vessels from Chengxi. None of the vessels are financed at year end. All the vessels are scheduled to be delivered in either first half 2015 or first half 2016.

26. 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:

<i>(in thousands of \$)</i>	2013	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 year ended December 31, 2013 for operating leases was \$57.7 million (2012:\$29.7 million).

Rental income

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

<i>(in thousands of \$)</i>	2013	2012
Within one year	67 251	117 939
In the second to fifth years	164 207	198 164
Later than five years	55 918	55 740
Total minimum lease revenue	287 376	371 843

Total rental income for operating leases was \$276.5 million for the year ended December 31, 2013 (2012:\$227.1 million).

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. In the share option plan, the Company has reserved the right upon receipt on a notice of exercise of an Option to make cash payment in lieu of issuing Shares that would be due on the exercise of the Option.

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 in 2012 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:

	2013		2012	
	Number of share options	Weighted average exercise price USD	Number of share options	Weighted average exercise price USD
At the beginning of the year	5 000 000	1.6	4 062 500	1.6
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	(55 000)	-	-	-
Outstanding at the end of the year	4 945 000	0.74	5 000 000	0.91
Exercisable at the end of the year	1 070 000	0.74	500 000	1.66

The outstanding options at the end of 2013 have a weighted average remaining contractual life of 3.5 years (2012: 4.5 years). There were 55,000 options exercised in 2013 (2012: nil). 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 \$1 172 000 (2012:\$989 000) 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 (2012:12) of total 17 employees (2012:16), as of December 31, 2013. 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 November 28, 2013. 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, 2014.

The cost in consolidated income statement is \$574 000 (2012: \$690 000). The net obligations of \$1.6 million (2012:\$1.6 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, 2013				
Assets as per balance sheet				
Trade and other receivables excluding pre-payments (note 17)	23 210	-	-	23 210
Derivative financial instruments (interest swap)	-	2 735	-	2 735
Refundable installments for cancelled newbuildings	192 976	-	-	192 976
Available-for-sale financial assets	-	-	16 916	16 916
Cash and cash equivalents	98 841	-	-	98 841
Total	315 027	2 735	16 916	334 678



(in thousands of \$)	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
Available-for-sale financial assets	-	-	-	-
Cash and cash equivalents	112 537	-	-	112 537
Total	229 491	-	-	229 491

(in thousands of \$)	Derivative financial instruments	Other financial liabilities at amortised cost	Total
At December 31, 2013			
Liabilities as per balance sheet			
Borrowings incl. deferred charges (excl. finance lease liabilities) (note 21)	-	404 019	404 019
Finance lease liabilities	-	117 786	117 786
Derivative financial instruments (interest swap)	-	-	-
Trade and other payables excluding non-financial liabilities (note 23,24)	-	10 859	10 859
Total	-	532 664	532 664

(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

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:

(In thousands of \$)	2013		2012	
	Loan amount	Average interest rate	Loan amount	Average interest rate
Loan on vessels	358 032	3.46%	345 820	3.04%
Loans on cancelled vessels under construction	43 192	3.26%	47 345	5.19%
Total	401 224		393 165	

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

(In thousands of \$)	2013		2012	
	Amount	Average interest rate	Amount	Average interest rate
Current accounts	81 381	0.04%	102 459	0.09%
Short-term deposits	12 500	0.79%	1 900	1.11%
Restricted cash	4 960	0.00%	8 178	0.09%
Total	98 841		112 537	

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 2013 and 2012.

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

(in thousands of \$)	2013	2012
At January 1	-	7 540
Interest expense	-	252
Interest paid	-	(92)
Repurchase and repayment of convertible bond	-	(7 700)
Liability component at December 31	0	0

If interest rates as of December 31, 2013 and December 31, 2012 had increased / decreased by 1% with all other variables remaining constant, the decrease / increase in profit would have been \$4.0 million (2012:\$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. If interest rates had increased/decreased by 1% the effect on the amount capitalized would be \$432.000 (2012:\$566 000).

The Group's chief financial officer monitors the sensitivity to the interest rates on a regular basis as part of the 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, 2013, 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, 2013, 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 \$16.9 million (2012:\$nil).

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, 2013 was \$325.9 million (2012:\$235.6 million). A major part of this, \$193.0 million is related to the cancelled contracts at Jinhaiwan (2012: \$100.3 million), which are secured by refund guarantees.

Concentration of credit risk exists to the extent that at December 31, 2013 approximately 64% 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 cash and cash equivalents:

Counterparty	Rating	Geographical segment	2013	2012
<i>Cash and cash equivalents</i>				
Nordea Bank Norge ASA	AA-	Norway	22 414	41 811
Skandinaviska Enskilda Banken (SEB)	A+	Norway	40 713	29 220
DnB Bank ASA	A+	Norway	12 500	17 500
ABN Amro Bank N.V	A+	Netherlands	11 170	11 774
Ing Bank N.V	A	Netherlands	306	0
Danske Bank A/S	A	Norway	3 834	4 431
Other		Norway	7 903	7 801
			98 841	112 537



In addition concentration of credit risk exists to the extent that amounts of \$2.8 million represent 38% 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 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 group of maturity 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>	2013	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

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
Interest on Long-term debt	20 017	16 743	37 251	5 871	79 882
Total	20 017	16 743	37 251	5 871	79 882

The interests obligations are calculated by using 3 year interest swap (0.85 plus margin of 2.68 that gives total interest rate cost of 3.53%).

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>	2013	2012
Within one year	14 871	14 933
Between two and five years	102 521	111 728
Between six and ten years	41 156	47 100
Total	158 548	173 760

Cash of \$5.0 million (2012:\$8.2 million) is restricted. Of this, \$3.2 million is related to deposits on trading in financial instruments, \$0.3 million is deposit for a customer claim, \$0.2 million for employee taxes, \$0.5 million is a deposit for a tender bid and the remaining \$0.8 million is various deposits.



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, 2013:

<i>(in thousands of \$)</i>	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 (interest swap)	-	-	-
Total liabilities	-	-	-

<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

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>	2013	2012
<i>Declared and paid during the year</i>		
Final dividends from previous year	-	0
First interim dividend	-	0
Second interim dividend	4 473	0
Third interim dividend	-	0
	4 473	0
<i>Proposed but not recorded</i>		
Third interim dividend paid 2014	4 473	0
Final dividend for the year	11 182	0

The Group paid dividend of \$0.045 per share related to 2013 figures.

The Board of Directors did not distribute any dividend from third quarter of 2011 until second quarter of 2013 in order to retain cash for down payment in relation to the loan facilities and to cover capital expenditure for new investments. Based on the outlook for the Company and the dry bulk market the Board of Directors decided to distribute dividends from the second quarter of 2013.

32. SUBSIDIARY COMPANIES

The following are the Company's active subsidiaries as at December 31, 2013:



	Country of residence	Ownership interest
Front Carriers Ltd	Liberia	100 %
Golden Aries Inc	Liberia	100 %
Golden Arima Inc	Liberia	100 %
Golden Beijing Inc	Liberia	100 %
Golden Beppu 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 Gemini Inc	Liberia	100 %
Golden Gunn Corporation	Liberia	100 %
Golden Hilton Shipping Corporation	Liberia	100 %
Golden Ice Inc	Liberia	100 %
Golden Leo Inc	Liberia	100 %
Golden Libra 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 Taurus Inc	Liberia	100 %
Golden Virgo 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, 2013 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 28, 2014.

34. SUBSEQUENT EVENTS

In January 2014 the Company issued a \$200 million Convertible Bond with a 5 year tenor and Coupon of 3.07% p.a. After adjustment for the latest dividend paid the Conversion Price is at the end of March 2014 \$2.82/share. The Conversion Price will in the future be further adjusted for any dividend payment 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 the 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.

In March 2014 the Company acquired the outstanding 50% of the 2009 Korean built 180,000 dwt Capesize bulk carrier Golden Magnum from its Joint Venture partner. The transaction relates to one ship only, and is therefore not classified as a business combination.

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, 2013, 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 as adopted by the EU, 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.

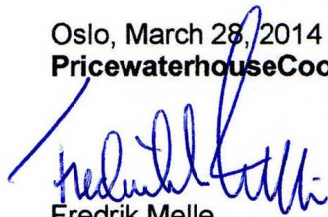
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Oslo, March 28, 2014

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, 2013 has been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit for the year 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 28, 2014

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/ Georgina Sousa
Georgina Sousa
Director

CORPORATE GOVERNANCE STATEMENT 2013

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 in accordance 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 under 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 corporate 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' behavior 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. The Board has not formulated separate guidelines for corporate social responsibility as this is considered an integral part of the Company's corporate code.

Business

The business of Golden Ocean Group Limited and its subsidiaries (the "**Group**") is dry bulk shipping. The Company's Memorandum of Association sets forth the objects of the Company in its article 6 (which makes reference to a schedule to the Bermuda Companies Act 1981). These objects are of a general nature and do not significantly specify or limit the business of the Company. Included in these objects are the ownership, acquisition, selling, and chartering of ships and the ship carriage of goods of all kinds. A clear definition of the Company's business in the Memorandum of Association or the Bye-laws is not required under Bermudian law and no business activity clauses from these documents are included in the annual report. The Company's annual report does include 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 authorized 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 or amount limit on

the Board's authority to issue shares up to the maximum authorized capital and the Board's authority is not restricted to defined purposes.

As at December 31, 2013 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 issued share capital, and limits the duration of any authority granted to a board to acquire its own shares, there is no fixed amount limitation or 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.

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 or (subject to the provisions of the Bermudian Companies Act) at a discount 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, but is shorter than the period of at least 21 days' notice contained in the Code.

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, at its discretion 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. In accordance with Bermudian company law, the chairman is appointed by the Board and not elected by the 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 proxy statement which accompanies the notice of the annual general meeting provides information on the members of the Board. Information on their record of attendance at board meetings is not included in the annual report.

The Board currently consists of five directors. Two of the directors, John Fredriksen, Tor Olav Trøim are not independent from Golden Ocean Group Limited's main shareholder, Hemen Holding Limited. Kate Blankenship, Hans Chr. Børresen and Georgina Sousa are all 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 has not considered it necessary to issue separate board instructions as Bermudian company law is detailed in this respect.

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. The audit committee consists of one member, Kate Blankenship, which is independent.

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 as this is not required under Bermudian law. 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 Company has not established separate guiding principles for how it will act in the event of a take-over bid. 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.