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**Condensed Interim financial information
(Unaudited)**

Third quarter 2014
November 21st, 2014

Highlights

- Golden Ocean generates third quarter 2014 EBITDA* of \$7.2 million
- Golden Ocean reports loss of \$11.6 million for the third quarter of 2014
- Golden Ocean announces dividends of \$0.007 per share for the third quarter of 2014
- The Company received \$47.4 million in refund of instalments and interest from Jinhaiwan in July 2014
- Two of the applications for leave to appeal were dismissed in High Court in London in November 2014
- The Company announced the agreement to merge with Knightsbridge Shipping Limited in October 2014

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

Third Quarter and Interim nine months 2014 Results

Golden Ocean Group Limited (the “Company” or “Golden Ocean”) reports loss of \$11.7 million and loss per share of \$0.03 for the third quarter of 2014. This compares with profit of \$1.0 million and earnings per share at par for the second quarter of 2014. Total operating revenues for the third quarter were \$53.4 million; total operating expenses were \$53.4 million and other gains/losses net were negative with \$5.4 million. Net financial items were negative with \$6.2 million.

The loss for the period of \$11.7 million is a decrease of \$12.6 million compared to last quarter. Net operating income is down by \$16.4 million while net financial items are up by \$3.7 million. When excluding one-off items the net operating income is down by \$0.7 million. The earnings on the vessels are slightly lower in the third quarter of 2014 relative to the second quarter, however this is offset by a smaller negative mark to market change on the freight forward agreements in the third quarter. The net financial cost is reduced in the third quarter relative to the second quarter as the interest rate swaps had a positive mark to market change in the quarter, as opposed to a negative change in the second quarter.

Changes in one-off items relative to last quarter are negative approximately \$15.7 million. These one-offs include revaluation of refundable installments on newbuildings (-\$10.4 million) and compensation for default of a charter contract (-\$5.3 million).

The table below shows the split for some key numbers between the long term and the short term portfolio for the third quarter of 2014. Administrative expenses are not allocated. The long term portfolio is defined as owned vessels, long term time charter in contracts and bareboat vessels and relates to the vessels that the Company gives information on in quarterly releases and on the web page. The short term portfolio consists of the vessels, cargoes and derivatives that are entered into with a short duration.

<i>(in millions of \$)</i>	Long term portfolio	Short term portfolio	Total
Total operating revenue	44.9	8.5	53.4
Total operating expenses (ex admin)	-42.8	-7.7	-50.5
Total other gain/losses net	-3.7	-1.7	-5.4
Operating profit (ex admin)	-1.6	-0.9	-2.5
Admin expenses			-2.9
Operating profit			-5.4

Cash and cash equivalents increased by \$2.0 million during the quarter. Cash from operating activities was neutral in the quarter. The Company received \$47.4 million from Jinhaiwan during the quarter and spent \$5.5 million on installments and docking costs. Financing activities were negative with \$41.7 million in the quarter. Repayment of debt, interest and financing charges amounted to \$22.7 million, including \$13.2 million related to the Jinhaiwan refunds, and dividends declared for second quarter of 2014 results were paid with a total of \$11.2 million.



The proposed merger with Knightsbridge Shipping Limited

On October 7, 2014, Golden Ocean and Knightsbridge Shipping Limited ("Knightsbridge") announced that the two companies had entered into an agreement and plan of merger (the "Merger Agreement"), pursuant to which the two companies have agreed to merge, with Knightsbridge as the surviving legal entity (the "Combined Company"). The Combined Company will be renamed Golden Ocean Group Limited upon completion of the merger. As a result of the expected merger, the Combined Company would become one of the world's leading dry bulk companies with a modern fleet of 72 vessels, of which 36 are newbuildings under construction as of September 30, 2014. The merger is subject to approval by the shareholders of Golden Ocean and Knightsbridge in separate special general meetings. Golden Ocean and Knightsbridge filed a registration statement with the Securities and Exchange Commission ("SEC") on November 17, 2014, and once the registration statement is declared effective by the SEC the companies expect to call the special general meetings to ask for approval of the merger. The merger is expected to close in the first quarter of 2015. Completion of the merger is also subject to the execution of certain definitive documents, customary closing conditions and regulatory approvals.

Knightsbridge's ordinary shares are currently listed for trading on the NASDAQ Global Select Market ("NASDAQ"), and Golden Ocean's ordinary shares are currently listed for trading on the Oslo Stock Exchange (the "OSE") and the Singapore Stock Exchange. In accordance with the Merger Agreement, the Combined Company will apply for a secondary listing of its ordinary shares on the OSE, and expects that after the merger its ordinary shares will be listed for trading on both NASDAQ and the OSE.

Shareholders of Golden Ocean at the time the merger is completed will receive shares in Knightsbridge as merger consideration. Pursuant to the Merger Agreement, one share in Golden Ocean will give the right to receive 0.13749 shares in Knightsbridge, and Knightsbridge will issue a total of 61.5 million shares to shareholders in Golden Ocean as merger consideration.

Fleet status

The Company has fixed out four of the Panamax ice class vessels for the winter season at a significant premium to the underlying index. The Company believes that this shows that the ice class niche is attractive for the Company and demonstrates the extra value for having these types of vessels in the portfolio

The Company decided not to declare the optional years on Golden Kiji and the vessel was redelivered to its owners in September 2014. The Company has also decided not to declare the optional years on Ocean Minerva and will redeliver the vessel to its owners during December 2014. Golden Ocean has still chartered in one vessel with purchase option, Golden Heiwa, and one vessel on time charter without purchase option, Golden Sakura.

One vessel, Golden Magnum, has drydocked during the third quarter. So far this year 6 vessels have been drydocked and in total 7 of the Company's vessels are expected to drydock during 2014.

Newbuilding program

As per today Golden Ocean's total newbuilding program consists of eight Supramax vessels, two vessels from Japan Marine United Corporation ("JMU") and six vessels from Chengxi. The remaining capital expenditure for vessels under construction is \$182.1 million as of end of the third quarter 2014. None of the newbuildings are financed yet however the Company is currently in discussions with lenders for financing of the five vessels with delivery first half of 2015. The financing is expected to be concluded prior to delivery of the first vessel in January 2015.

As earlier reported the Company has had arbitration processes ongoing in relation to nine construction contracts cancelled at Zhoushan Jinhaiwan Shipyard Co. Ltd. Last quarter the Company obtained final awards on three of these contracts and in May the Company received \$56.2 million as refund for two contracts, covering installments of \$45.8 million and interest of \$10.4 million. End July the Company received



additional \$47.4 million, covering installments of \$38.65 million and \$8.7 million in interest for the third contract. The Company has paid down debt with in total \$31.9 million in relation to these contracts.

For the remaining six contracts Golden Ocean has received awards concluding that Golden Ocean was entitled to cancel the contracts and therefore also entitled to refunds. On two out of these contracts Golden Ocean was not found to be entitled to awarded interest, on the basis of the assumed facts on which the Award was based, but instalments only. Both parties are pursuing appeals in the High Court in London against these awards and the hearing will take place end of November 2014. The yard also applied to the High Court for leave to appeal against the awards made in respect of the four other contracts. For two contracts the court gave leave agreed to the appeal due to overlapping issues with the above appeals, with that appeal to be subject to having the issued heard at the same hearing as above. For the remaining two contracts the High Court dismissed the yard's application for leave to appeal and the award is now final.

The Company's claim towards the yard is secured by refund guarantees from two of the top four Chinese banks including 5 per cent interest from the date of payment of the installment. The Company has in aggregate paid \$90.8 million on the last six vessels and has drawn \$11.3 million under the related loan facilities.

Corporate

On November 21, 2014 the Board has declared a dividend of \$0.007 per share. The record date for the dividend has been set to December 2, 2014, for shareholders holding shares on the Oslo Stock Exchange and December 3, 2014 for shareholders holding shares on the Singapore Stock Exchange, ex dividend date will be December 1, 2014 and the dividend will be paid on or about December 18, 2014.

One of the Company's loan facilities expires in September 2015 and the outstanding debt under this facility, \$34.3 million, has been classified as short term debt in the third quarter. The Company is currently in discussions with the lenders to conclude refinancing of this facility together with the financing of the Supramax vessels as described above as well as refinancing of three other facilities at attractive terms.

The Company has during the third quarter of 2014 sold 47,685 shares in Korea Line Corporation at krw 26,012 per share with total proceeds of USD 1.2 million, which also has been booked as a profit in the income statement. During the fourth quarter the Company has sold the remaining 67,354 shares at krw 24,949 per share with total proceeds of USD 1.6 million, which will be booked as a profit in the fourth quarter. Including sales proceeds from shares the Company has in total received 6.3 million as a compensation for the default on the charter contracts for Golden Empress and Golden Eminence in 2012.

The Company is continuing with the work on the delisting from the Singapore Stock Exchange and the delisting will take place at the closing of the expected merger.

In connection with the filing of the registration statement with the Securities and Exchange Commission the Company has issued updated financial statements for the years 2011, 2012 and 2013 as well as for the six months ended June 30, 2014, in which certain items have been reclassified within the balance sheet.

As of September 30, 2014 the total number of shares outstanding in Golden Ocean was 447,314,296 of \$0.10 par value each. Additionally the Company had stock options for 4.85 million shares outstanding under various share incentive programs for management and the Directors, of which 1.48 million are vested and exercisable.

The Dry bulk market

For the second quarter in a row the dry bulk market surprised on the downside. At the start of the quarter many analysts still believed in a recovery in second half of the year. But as time passed by with a continued lower utilization of the dry bulk fleet than anticipated the sentiment changed resulting in a lower forward curves across the board. In third quarter 2014 Capesize vessels earned on average \$12,635 per day



compared to \$11,900 per day the previous quarter and \$18,970 in third quarter last year. Panamax vessels earned on average \$5,565 per day in third quarter compared to \$6,300 per day previous quarter and \$8,925 in third quarter last year.

Chinese steel production in third quarter was about 4 million mt lower than in previous quarter, but still 4 million mt higher compared to third quarter of 2013, representing a modest growth of 2.5 per cent. In spite of lower steel production than consensus forecast, iron ore imports continued its strong growth. On the back of strong supply growth from the major international mining companies iron ore prices fell significantly during the quarter. This supports use of high quality imported iron ore compared to domestic sourcing for Chinese steel makers. With recent strong import numbers it is likely that China will import close to 950 million mt of iron ore in 2014, which represents a growth of 100 million mt compared to 2013.

Approximately 11.8 million dwt of new dry bulk capacity was delivered during third quarter of 2014, compared to 11 million dwt in second quarter. Scrapping has been fairly stable the three first quarters of 2014. About 12 million dwt was removed from the tonnage list by the end of September, fairly evenly spread out over the three quarters. If deliveries and scrapping continue at same pace throughout the rest of the year net fleet growth should end up at 5 per cent.

Iron ore has indeed supported demand and supply of new vessels has been in line with expectations, so what has gone wrong so far, compared to the majority of rate estimates made by analysts at the beginning of the year?

The largest negative surprise has come from the coal sector with much lower coal imports to China than expected. Met coal into China declined with 35 per cent during third quarter compared to the same quarter last year which on an annualized basis is only 40 million tons. Steam coal into China did not do much better, declining by 24 per cent in the third quarter on a y-o-y basis to an annualized level of 155 million tons. In all, coal imports to China fell to an annualized level of under 200 million tons. In spite of a promising start to the year it looks like China will end up with total coal imports of around 275 million mt in 2014 against 310 million mt in 2013. This is against a forecasted growth of 7.5 per cent at the beginning of the year. Recently, prices of international coal have generally fallen below the cash costs of Chinese producers, of which a majority are reportedly making losses. Demand for coal in China has slowed down this year, as China's electricity production has flattened out to about 5 per cent growth and other energy sources have substituted for coal, most notably hydroelectric power. In an effort to shore up the domestic mining industry, China has introduced a set of policy measures that are intended to make coal imports more costly. The Chinese policy makers seem to be willing to retain as much as possible of domestic production in the energy mix. Branded as an environmental policy, new criteria on ash and sulphur content have been set for coal being used, sold and imported. Having said that, a cold and dry winter in China will have a negative impact on the hydro power capacity. This could force Chinese utilities to import more coal.

Demand for grains has been fairly stable compared to last year, but logistics in South America have improved leading to much lower congestion this year.

China did a massive stock building of bauxite and nickel ore end of last year to be prepared for the ban introduced by the Indonesian authorities at the start of 2014. The combined shortfall in imports of these two commodities to China could be close to 60 million mt compared to 2013. The negative impact has predominantly been for the smaller sizes. Stockpiles of bauxite in China are considered to be low and restocking will most likely come from areas with longer sailing distances.

The downward pressure on asset prices continued during third quarter. Capesizes were still holding better up than the smaller segments and according to sale and purchase brokers modern vessels (maximum 5 years old) were priced three per cent lower by the end of September compared to end of June 2014, while Panamaxes and Supramaxes lost between 5 and 10 per cent compared to end of June 2014. This was more or less same declines as the previous quarter, but still considerably higher than end of third quarter last year. Yards of good quality seems to be reluctant to reduce prices in spite of lower ordering activity. The reasons are that their order books are still decent and their margins are thin.



Strategy

The Board of Directors is satisfied with the merger agreement entered into with Knightsbridge. The main focus for the management is now related to the implementation process, and the Board and management are dedicated to conclude the process of creating one of the world's leading dry bulk companies. After completion of the merger the Combined Company will be in a position to look for further consolidation opportunities in the dry bulk market.

The spot market has improved in the fourth quarter relative to the third quarter, however longer term coverage has not been offered at attractive earnings so far. As a consequence a vast majority of the fleet remains exposed to spot earnings. Several of the ice class Panamax vessels are however fixed out to customers through the winter seasons. The earnings are index linked, but with a premium of on average more than 20 per cent compared to the prevailing spot market. The Company will consider taking cover for a part of the fleet when the market improves and such charters offer attractive return on the investment.

Outlook

The ongoing arbitration process against Jinhaiwan continues as expected and as reported earlier. A request for appeal by the counterpart has been rejected by the Tribunal on two contracts. The hearing for the four remaining contracts will take place end November 2014. Consequently the Board of Golden Ocean is still confident that the Company will recover and receive installments and interest within the next half year.

As a result Golden Ocean should have a strong cash position in spite of a disappointing market. If the market remains weak Golden Ocean and later the Combined Company could be in unique position to act as a consolidator in a fragmented industry.

It was well into the fourth quarter when the dry bulk market witnessed a decent recovery. The effect on fourth quarter earnings will be limited, but it is expected that the net result will be slightly better than in the third quarter. Future earnings will continue to correlate with the spot market as long as the existing chartering strategy remains the same.

Golden Ocean is in the process of refinancing 19 vessels in one facility and is together with Knightsbridge discussing financing of most of the remaining newbuildings of the Combined Company. Several leading shipping banks are showing strong interest. A financing with relatively low margins and long repayment profile is expected. Together with low operating cost and G&A, this financing should secure attractive cash break even rates for Golden Ocean and the Combined Company going forward.

Forward Looking Statements

The statements contained in this press release that are not purely historical are forward-looking statements. The forward-looking statements include, but are not limited to, statements regarding the expectations, hopes, beliefs, intentions or strategies regarding the future of Golden Ocean Group Limited ("Golden Ocean"), Knightsbridge Shipping Ltd. ("Knightsbridge") and the shipping market in general. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "plan", "possible", "potential", "predict", "project", "forecast", "should", "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this press release may include, for example, statements about: the shipping markets, sources of and demand for drybulk and other shipping cargo, and the performance of the shipping markets and the Chinese and global economy.

The forward-looking statements contained in this press release are based on the current expectations and beliefs of Golden Ocean concerning future developments and their potential effects on Golden Ocean, Knightsbridge, the shipping markets and factors affecting supply and demand for drybulk and other shipping cargo, including, among other things, the expected merger between Golden Ocean and Knightsbridge. All



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statements and information in this press release relating to the merger and the resulting combined company are based on the anticipated effectuation of the merger, which is subject to certain conditions precedent. There can be no assurance that future developments affecting any of them will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties (many of which are beyond Golden Ocean's or Knightsbridge's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of Golden Ocean's assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Neither Golden Ocean nor Knightsbridge undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Certain shipping, steel, Chinese and global industry information, statistics and charts contained herein have been derived from several sources. You are hereby advised that such industry data, charts and statistics have not been prepared specifically for inclusion in these materials and Golden Ocean has not undertaken any independent investigation to confirm the accuracy or completeness of such information.

Important Information For Investors And Shareholders

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed transaction between Golden Ocean Group Limited ("Golden Ocean") and Knightsbridge Shipping Limited ("Knightsbridge"), Knightsbridge will file relevant materials with the Securities and Exchange Commission (the "SEC"), including a registration statement of Knightsbridge on Form F-4 that will include a joint proxy statement of Golden Ocean and Knightsbridge that also constitutes a prospectus of Knightsbridge, and the joint proxy statement/prospectus will be mailed to shareholders of Golden Ocean and Knightsbridge. INVESTORS AND SECURITY HOLDERS OF GOLDEN OCEAN AND KNIGHTSBRIDGE ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders will be able to obtain free copies of the registration statement and the joint proxy statement/prospectus (when available) and other documents filed with or furnished to the SEC by Knightsbridge through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with or furnished to the SEC by Knightsbridge will be available free of charge on Knightsbridge's website at <http://www.knightsbridgeshipping.com>. Additional information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with or furnished to the SEC when they become available.

November 21st, 2014

The Board of Directors
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Condensed Interim financial information

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Notes to Condensed Interim financial information



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Consolidated Comprehensive Income Statement

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

	Notes	2014 Jul-Sep Unaudited	2013 Jul-Sep Unaudited	2014 Jan-Sep Unaudited	2013 Jan-Sep Unaudited
Operating revenue					
Time charter and voyage charter revenues		52 678	78 335	193 673	206 966
Other operating revenue	3	764	429	6 764	30 937
Total operating revenue		53 442	78 764	200 437	237 903
Operating expenses					
Voyage expenses and commission		17 679	21 063	61 781	55 638
Vessel operating expenses		15 359	12 260	41 704	34 130
Charter hire expenses		4 949	16 063	35 890	42 417
Administrative expenses		2 882	3 013	8 453	9 630
Depreciation	7,8	12 528	9 814	35 046	28 633
Total operating expenses		53 397	62 213	182 874	170 448
Other gain (losses) net					
Share of income from associates and Joint Ventures	12	500	497	1 923	1 080
Other gains (losses) net	4	(5 899)	4 998	4 561	4 782
Total other gains (losses) net		(5 399)	5 495	6 484	5 862
Operating profit (loss)		(5 354)	22 046	24 047	73 317
Interest income		224	374	819	889
Interest expense	5	(8 263)	(4 807)	(23 671)	(14 160)
Other financial items	6	1 795	(1 491)	(1 619)	6 338
Total net financial items		(6 244)	(5 924)	(24 471)	(6 933)
Profit (loss) before income tax		(11 598)	16 122	(424)	66 384
Income tax		(40)	(50)	(115)	(85)
Profit (loss) for the period		(11 638)	16 072	(539)	66 299
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
Changes in fair value of available-for-sale financial assets		(1 232)	(206)	(1 532)	985
Recycling of changes in fair value of sold available-for-sale financial assets		(1 105)	(339)	(2 243)	(339)
Total comprehensive income (loss) for the period		(13 975)	15 527	(4 314)	66 945
Profit (loss) attributable to:					
- Owners of the parent		(11 441)	15 357	54	65 805
- Non-controlling interests		(197)	715	(593)	494
Profit (loss) for the period		(11 638)	16 072	(539)	66 299
Comprehensive income (loss) attributable to:					
Owners of the parent		(13 778)	14 812	(3 721)	66 451
Non-controlling interests		(197)	715	(593)	494
Total comprehensive income (loss) for the period		(13 975)	15 527	(4 314)	66 945
Basic and diluted earnings per share		\$(0.03)	\$0.04	\$0.00	\$0.15

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



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Golden Ocean Group Limited
Consolidated Balance Sheet

		2014 Sep 30 Unaudited	2013 Dec 31
<i>(in thousands of \$)</i>	Notes		
ASSETS			
Non current assets			
Vessels and equipment	7	824 903	667 788
Vessels held under finance leases	8	123 890	130 795
Vessels under construction	9	30 578	16 144
Other long term receivables	11	9 035	8 588
Available-for-sale financial assets	15	13 141	16 916
Derivative financial instruments	14	4 188	2 735
Instalments on cancelled newbuildings		-	192 976
Investment in associates and Joint Ventures	12	10 388	17 419
Total non-current assets		1 016 123	1 053 361
Current assets			
Inventories		11 590	10 775
Trade and other receivables	11	30 682	25 495
Refundable installments on cancelled newbuildings	24	102 595	-
Restricted deposit	10	3 996	4 960
Cash and cash equivalents	10	129 189	93 881
Total current assets		278 052	135 110
Total assets		1 294 175	1 188 471
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		44 731	44 726
Additional paid in capital		99 187	99 156
Other reserves		47 890	23 466
Retained earnings		420 182	453 434
		611 990	620 782
Non-controlling interests		15	1 108
Total Equity		612 005	621 890
Non-Current Liabilities			
Long term debt	16,17	450 278	362 805
Obligations under finance leases	18	105 786	110 416
Other long term liabilities		1 677	1 903
Total non-current liabilities		557 741	475 124
Current Liabilities			
Long-term debt - current portion	16	86 106	41 214
Obligations under finance leases – current portion	18	6 798	7 370
Amount due to related parties		2 038	1 216
Trade payables and other current liabilities	19	29 487	41 656
Total current liabilities		124 429	91 456
Total liabilities and shareholders' equity		1 294 175	1 188 471

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



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Golden Ocean Group Limited
Consolidated Cash Flow Statement

(in thousands of \$)

		2014	2013
	Notes	Jan-Sep Unaudited	Jan-Sep Unaudited
OPERATING ACTIVITIES			
Profit (loss) for the period		(539)	66 384
Adjustments for:			
Share based payment		382	1 017
Stock options paid in cash		(54)	-
Gain on sale and Impairment of available-for-sale financial assets		(2 495)	(339)
Share of (profit) loss from associates and Joint Ventures	12	(8 121)	(1 080)
Gain from refundable instalments for cancelled newbuildings		(10 658)	-
Interest expensed		16 890	7 516
Interest income		(819)	(889)
Depreciation	7,8	35 046	28 633
Amortisation of deferred charges		1 024	459
Foreign currency gain (losses)		179	107
Imputed interest on other long term receivables		(447)	(417)
Net change in:			
Amount due to related parties		822	(629)
Derivative financial instrument	14	6 132	(5 775)
Trade and other receivables	11	(5 634)	(8 788)
Inventories		(816)	(9 261)
Trade payables and other current liabilities	19	(7 657)	(9 985)
Net cash provided by operating activities		23 235	66 954
INVESTING ACTIVITIES			
Changes in restricted deposit		965	1 902
Interest received		819	889
Payments on vessels	7,9	(156 894)	(49 497)
Capitalised docking and periodic maintenance		(11 510)	(783)
Investment in Joint Venture	12	-	(30 825)
Proceeds from cancelled newbuildings		103 569	-
Sale of short term investment		-	339
Sale of available-for-sale financial assets		2 495	-
Net cash provided by (used in) investing activities		(60 556)	(77 975)
FINANCING ACTIVITIES			
Payment of financing charges		(3 659)	(714)
Payment of interest		(12 065)	(7 498)
Payment of interest swaps		(6 132)	(2 941)
Repayment of obligations under finance leases		(5 117)	(4 881)
Repayment of long term debt		(61 895)	(32 706)
Proceeds from long term debt		-	24 017
Proceeds from related party		-	10 000
Proceeds from issue of new shares		36	-
Payment of dividends		(38 539)	(4 473)
Proceeds from Convertible bonds		200 000	-
Net cash (used in) provided by financing activities		72 629	(19 196)
Net change in cash and cash equivalents		35 308	(30 217)
Cash and cash equivalents at beginning of period		93 881	104 359
Cash and cash equivalents at end of period	10	129 189	74 142



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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, 2013	44 726	99 156	16 550	377 372	537 805	491	538 296
Comprehensive income for the period	-	-	646	65 890	66 536	494	67 030
Dividends and related tax	-	-	-	(4 473)	(4 473)	-	(4 473)
Value of services under stock options scheme	-	-	-	1 017	1 017	-	1 017
Balance at September 30, 2013	44 726	99 156	17 196	439 807	600 885	985	601 870
Balance at January 1, 2014	44 726	99 156	23 466	453 434	620 782	1 108	621 890
Comprehensive income (loss) for the period	-	-	(3 690)	(5)	(3 695)	(593)	(4 288)
Equity portion Convertible Bond	-	-	28 114	-	28 114	-	28 114
Issue of new share capital	5	31	-	-	36	21	57
Dividends and related tax	-	-	-	(33 575)	(33 575)	(521)	(34 096)
Value of services under stock options scheme	-	-	-	382	382	-	382
Stock option paid in cash	-	-	-	(54)	(54)	-	(54)
Balance at September 30, 2014	44 731	99 187	47 890	420 182	611 990	15	612 005

1. ACCOUNTING PRINCIPLES

The condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. A full description of the accounting principles used in preparing the consolidated financial statements for Golden Ocean Group Ltd. is included in note 2 in the annual report for 2013. The annual consolidated financial statements are prepared in accordance with IFRS as approved by IASB. There have been no changes in the accounting principles in 2014 compared to 2013.

2. ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

Preparation of the interim financial statements in accordance with IFRS implies use of estimates, which are based on judgments and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts might differ from such estimates. Other than in the case of the item described below, there were no significant changes to the estimates and judgments made in these interim financial statements compared to the previous annual financial statements.

Refundable installments on cancelled newbuildings

Based on the outcome of the arbitration on the installments for the nine cancelled newbuilding contracts there has been a reclassification of these assets from non-financial to financial during second quarter of 2014. The receivables are initially measured at fair value upon the change in classification but do not include interest on the two contracts where the Company was not awarded interest by the court. The Company continues to believe that its appeal to receive interest on all contracts will succeed, however the right to these amounts is not considered virtually certain based on the initial adverse ruling. Had the group judged that it was virtually certain that it had a right to refund of interest for these two contracts where interest was not initially awarded, the value of the financial assets would have been \$111.0 million compared to the financial asset of \$102.6m that was recorded at September 2014 and resulted in \$8.4 million higher pre-tax profits for the third quarter 2014. The denial of interest for these two cancelled contracts will be appealed in front of the High Court in London in November this year.

3. OTHER REVENUE

<i>(in thousands of \$)</i>	2014 Jul-Sep	2013 Jul-Sep	2014 Jan-Sep	2013 Jan-Sep
Management fee revenues	695	429	1 365	937
Other revenues	69	-	5 399	30 000
Total other revenue	764	429	6 764	30 937

Other revenue of \$5.3 million in the second quarter of 2014 is related to compensation for a default on a charter contract. Other revenues of \$ 30.0 million in second quarter 2013 relates to a settlement from a 2010 claim from a Company for non-performance of a long term charter party.



4. OTHER GAINS (LOSSES) NET

<i>(in thousands of \$)</i>	2014	2013	2014	2013
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
Gain (loss) on Forward freight agreements	(5 801)	4 668	(12 036)	4 948
Gain (loss) on bunkers derivatives	(219)	330	(259)	(166)
Gain (loss) from refundable installments for cancelled newbuildings	121	-	10 658	-
Gain from purchase of Shares in Joint Venture	-	-	6 198	-
Total other gains (losses) net	(5 899)	4 998	4 561	4 782

The refundable installments on cancelled newbuildings have been reclassified from a non – financial asset to a financial asset based on the outcome of the arbitration in the second quarter. The asset has been measured at fair value resulting in a recognised net gain of \$4.7 million for the period January 2014 to September 2014. Furthermore the company has received final settlement of three contracts resulting in a gain of \$5.9 million.

5. INTEREST EXPENSE

<i>(in thousands of \$)</i>	2014	2013	2014	2013
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
Interest on bank overdrafts and loans	6 549	3 095	19 707	9 466
Interest on obligations under finance leases	1 897	2 048	5 757	6 185
Total interest expense	8 446	5 143	25 464	15 651
Less amounts included in the cost of qualifying assets	(183)	(337)	(1 793)	(1 491)
Net interest expense	8 263	4 807	23 671	14 160

6. OTHER FINANCIAL ITEMS

<i>(in thousands of \$)</i>	2014	2013	2014	2013
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep
Interest swap	691	(2 420)	(4 417)	5 536
Other financial items	1 104	929	2 798	802
Total other financial items	1 795	(1 491)	(1 619)	6 338

Total interest rate swap gain in the third quarter was \$0.7 million compared to a loss of \$2.4 million same quarter previous year. Total interest rate swap loss for the period from January to September 2014 was \$4.4 million compared to a gain of 5.5 million for the same period previous year. The Company sold 47,685 shares in Korea Line Corporation in the third quarter. A related gain of \$1.2 million is reported as other financial items. In total the Company has sold 102,685 Korea Line shares and booked a gain of \$2.5 million for the period January 2014 to September 2014



7. VESSELS AND EQUIPMENT

The Group has the following owned vessels at September 30, 2014.

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 Magnum	2009	179 788	Hong Kong
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 Daisy	2012	81 507	Marshall Island
Golden Ginger	2012	81 487	Marshall Island
Golden Rose	2012	81 585	Marshall Island
Golden Brilliant	2013	74 500	Hong Kong
Golden Pearl	2013	74 187	Hong Kong
Golden Diamond	2013	74 187	Hong Kong
Golden Ruby	2013	74 500	Hong Kong

<i>(in thousands of \$)</i>		<i>Docking and periodic maintenance</i>	<i>Fixtures and Equipment</i>	<i>Total</i>
	<i>Vessels</i>			
Cost:				
At January 1, 2013	768 452	7 482	486	776 420
Additions	51 803	3 486	10	55 299
Transferred from vessels under construction (note 9)	29 214	1 000	-	30 214
At December 31, 2013	849 469	11 968	496	861 932
At January 1, 2014	849 469	11 968	496	861 932
Additions	173 713	11 367	25	185 105
At September 30, 2014	1 023 182	23 335	521	1 047 037
Accumulated depreciation and impairment:				
At January 1, 2013	161 414	3 081	408	164 903
Depreciation	27 192	2 025	25	29 241
At December 31, 2013	188 606	5 106	433	194 144
At January 1, 2014	188 606	5 106	433	194 144
Impairment (note 2)	-	-	-	-
Depreciation	24 044	3 930	16	27 990
At September 30, 2014	212 650	9 036	449	222 134
Carrying amount:				
At September 30, 2014	810 532	14 299	72	824 903
At December 31, 2013	660 863	6 862	63	667 788

The Group has pledged most of its owned vessels to secure various banking facilities (note 16).



8. VESSELS HELD UNDER FINANCE LEASES

The Group has the following vessels on financial lease at September 30, 2014.

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, 2013			176 159
At December 31, 2013			176 159
At January 1, 2014			176 159
Additions			142
At September 30, 2014			176 301
Accumulated depreciation:			
At January 1, 2013			35 942
Depreciation			9 422
At December 31, 2013			45 364
At January 1, 2014			45 364
Depreciation			7 047
At September 30, 2014			52 411
Carrying amount:			
At September 30, 2014			123 890
At December 31, 2013			130 795

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

9. VESSELS UNDER CONSTRUCTION

(in thousands of \$)	
At January 1, 2013	116 082
Additions	22 288
Transferred to instalments on cancelled newbuildings	(92 012)
Transferred to vessels and equipment (note 7)	(30 214)
At December 31, 2013	16 144
At January 1, 2014	16 144
Additions	14 434
At September 30, 2014	30 578

Additions include instalments, interest and supervision on newbuildings.



10. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSIT

<i>(in thousands of \$)</i>	2014	2013
	September	December
Cash at bank and in hand	71 689	81 381
Short-term deposits	57 500	12 500
Cash and cash equivalents	129 189	93 881
Restricted deposit	3 996	4 960
Cash and cash equivalents and restricted deposit	133 185	98 841

11. TRADE AND OTHER RECEIVABLES

<i>(in thousands of \$)</i>	2014	2013
	September	December
Trade receivables, net	6 278	7 343
Other receivables	25 812	15 867
Prepayments	7 627	10 873
	39 717	34 083
Less non-current portion: other receivables	(9 035)	(8 588)
Current portion	30 682	25 495

12. INVESTMENT IN ASSOCIATED COMPANIES AND JOINT VENTURES

<i>(in thousands of \$)</i>	UFC	Golden Magnum Inc.	Golden Opus Inc.	Golden Azalea Inc.	Seateam Management	Totals
Ownership	50 %	50 %	50 %	50 %	21 %	
At 1 January, 2013	1248	-	-	-	-	1 248
Additions	-	6 350	6 924	6 400	-	19 674
Disposals/Dividends	-	-	-	(7 653)	-	(7 653)
Share of income	673	834	1 276	1 253	114	4 150
At 31 December, 2013	1921	7 184	8 200	-	114	17 419
At 1 January, 2014	1921	7 184	8 200	-	114	17 419
Disposals/Dividends	(1 500)	-	-	-	(49)	(1 549)
Transfer to investment in subsidiaries	-	(7 405)	-	-	-	(7 405)
Share of income	968	221	463	-	271	1 923
At 30 September, 2014	1 389	-	8 663	-	336	10 388

The figures reflect the Group's investment in the above companies.



GOLDEN OCEAN™

<i>(in thousands of \$)</i>	UFC	Golden Magnum Inc.	Golden Opus Inc.	Seateam Management	Totals
Ownership	50 %	50 %	50 %	21 %	
At September 30, 2014					
Current assets					
Cash and cash equivalents	4 620	-	3 897	-	8 517
Other current assets	3 354	-	2 698	1 580	7 632
Total current assets	7 974	-	6 595	1 580	16 149
Current liabilities					
Financial liabilities	-	-	1 833	-	1 833
Other current liabilities	5 197	-	1 639	-	6 836
Total current liabilities	5 197	-	3 472	-	8 669
Non-current assets					
Assets	-	-	32 719	-	32 719
Total non-current assets	-	-	32 719	-	32 719
Non-current liabilities					
Financial liabilities	-	-	18 515	-	18 515
Total non-current liabilities	-	-	18 515	-	18 515
Net total assets	2 778	-	17 326	1 580	21 684

<i>(in thousands of \$)</i>	UFC	Golden Magnum Inc.	Golden Opus Inc.	Seateam Management	Totals
Ownership	50 %	50 %	50 %	25 %	
At December 31, 2013					
Current assets					
Cash and cash equivalents	3 606	804	-	-	4 410
Other current assets	1 848	4 586	4 845	456	11 735
Total current assets	5 454	5 390	4 845	456	16 145
Current liabilities					
Financial liabilities	-	952	458	-	1 410
Other current liabilities	1 612	1 077	295	-	2 984
Total current liabilities	1 612	2 029	753	-	4 394
Non-current assets					
Assets	-	33 310	33 630	-	66 940
Total non-current assets	-	33 310	33 630	-	66 940
Non-current liabilities					
Financial liabilities	-	22 303	21 322	-	43 625
Total non-current liabilities	-	22 303	21 322	-	43 625
Net total assets	3 842	14 368	16 400	456	35 066

The tables above reflect the total assets and liability for the Group's JV/associated companies.

The Group bought the remaining 50% of Golden Magnum Inc. in the first quarter of 2014 and it is now considered as a fully owned subsidiary where all assets and liability are consolidated into the Group's financial statement.



13. ACQUISITIONS

During March 2014, the Company acquired the 50% outstanding shares in Golden Magnum Inc. for \$ 13.6 million from the other joint venture partner. The acquisition resulted in a holding gain on the existing 50% share of 6.2 million, which has been included in other gains in profit and loss in the first quarter of 2014.

The shares were acquired by \$13.6 million in cash which is also considered to be the fair value of the consideration.

The fair value of the assets and liabilities in Golden Magnum Inc. were as follows at the acquisition date.

<i>(in thousands of \$)</i>	2014 March 12
Non current assets	
Vessel and equipment	45 500
Total non-current assets	45 500
Current assets	
Cash and cash equivalents	1 512
other current assets	4 014
Total current assets	5 526
Total assets	51 026
Non current liabilities	
Long term debt	22 326
Total non-current liabilities	22 326
Current liabilities	
Long term debt - current portion	952
other current liabilities	548
Total current liabilities	1 500
Total liabilities	23 826
Total identifiable net assets	27 200

The investment was transferred from investment in joint ventures to investments in subsidiaries as a wholly owned subsidiary and consolidated from the same date.

Since the acquisition date the Group has included \$ 4.8 million in revenues and \$ 0.4 million in profit and loss for the period ended September 30, 2014. Had the acquisition occurred as of the beginning of the year, the revenue reported for the combined entity would have been \$6.1 million and profit and loss \$ 0.8 million.

14. DERIVATIVE FINANCIAL INSTRUMENTS

<i>(in thousands of \$)</i>	2014 September	2013 December
Interest derivatives	4 281	2 566
Bunkers derivatives	(93)	169
Derivative financial instruments	4 188	2 735



15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

<i>(in thousands of \$)</i>	2014 September	2013 December
At 1 January, 2014	16 916	-
Additions	-	10 000
Changes in fair value of available-for-sale financial assets	(1 532)	7 255
Recycling of changes in fair value of sold available-for-sale financial assets	(2 243)	(339)
At 30 September, 2014	13 141	16 916

<i>(in thousands of \$)</i>	2014 September	2013 December
<i>Listed Equity securities:</i>		
Korea Line Corporation - Asia	1 603	4 166
Knightsbridge Tankers Limited - US	212	107
<i>Unlisted Equity securities:</i>		
Greenship Bulk Trust - Europe	11 326	12 644
Total available for sale-financial assets	13 141	16 916

<i>(in thousands of \$)</i>	2014 September	2013 December
<i>Currencies:</i>		
NOK (Norwegian kroner)	11 326	12 644
KRW (Korean Won)	1 603	4 166
US dollar	212	107
Total available for sale-financial assets	13 141	16 916

16. LONG – TERM DEBT

<i>(in thousands of \$)</i>	2014 September	2013 December
Within one year	86 106	41 214
Between one and two years	116 274	120 651
Between two and five years	340 237	180 172
After five years	-	67 373
Total debt	542 617	409 410
Current portion	(86 106)	(41 214)
Long-term debt, nominal value	456 511	368 196
Value of sellers credit	(647)	(1 029)
Deferred transaction costs	(5 586)	(4 362)
Long-term debt, net	450 278	362 805

All debt is secured by mortgages over sailing vessels and vessels under construction.

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



Long-term debt and finance lease liabilities:

<i>(in thousands of \$)</i>	2014 September	2013 December
Non-current		
Bank borrowings and sellers credit	273 223	362 805
Convertible Bond	177 055	-
Finance lease liabilities	105 786	110 416
	556 064	473 221
Current		
Bank borrowings and sellers credit	86 106	41 214
Finance lease liabilities	6 798	7 370
	92 904	48 584
Total borrowings	648 968	521 805

All debt is denominated in US Dollars and the bank debt has an interest rate at LIBOR plus a fixed margin of an average of 2.70 percent. The interest rate is mainly repriced on a monthly basis, while some facilities are repriced on a quarterly basis. The Convertible bond debt (\$ 200 million) has a fixed coupon of 3.07% p.a. One facility expires in September 2015 and the total loan amount (\$34.3 million) is classified as short term debt.

17. CONVERTIBLE BOND

During January 2014 the company issued a \$ 200 million 3.07% senior unsecured convertible bonds due 2019, with a conversion price of \$ 2.86. The bond was separated into a liability and equity component upon initial recognition of the instrument. \$ 171.4 million is estimated to be the fair value of the liability component and is recorded as the initial carrying amount of the liability. The residual value of \$ 28.1 million is recognised as an equity component.

<i>(in thousands of \$)</i>	Carrying value September	Fair Value September
Convertible bond	177 055	171 750

The fair value of the convertible bonds is based on market prices on OTC market in Oslo at September 30, 2014. The fair values are within level 2 of the fair value hierarchy.

18. OBLIGATIONS UNDER FINANCE LEASE

<i>(in thousands of \$)</i>	Within one year		2-5 years		6-10 years		Total	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Minimum Lease Payments								
Interest	7 029	7 501	27 169	28 652	1 000	4 609	35 198	40 762
Purchase option	-	-	55 017	55 017	33 550	33 550	88 567	88 567
Instalments	6 798	7 370	16 541	18 852	678	2 996	24 017	29 218
Total Minimum Lease	13 827	14 871	98 727	102 521	35 228	41 155	147 782	158 547
Less interest							(35 198)	(40 762)
Present Value of Lease Obligations							112 584	117 785
Current portion							6 798	7 370
Non-current portion							105 786	110 416



The Group has recorded finance leases on four vessels at September 30, 2014 (and 2013). The Group has purchase options and the exercise price of the option changes based upon the date the option is exercised.

The table below lays out the approximate latest exercisable dates and purchase option amounts based on the date the purchase options are calculated to be exercisable, and the first lease renewal date.

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

The purchase option exercise prices at the final exercise date for Ocean Minerva and Golden Heiwa are denominated in JPY, and are JPY1.64 billion and JPY1.75 billion respectively.

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.

19. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

<i>(in thousands of \$)</i>	2014 September	2013 December
Trade payables	3 907	1 512
Accruals	10 463	6 273
Deferred revenue	13 363	27 540
Other current liabilities	1 754	6 331
Total	29 487	41 656

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

The Company received \$14.1 million dollars as income in advance during the fourth quarter of 2013. The amount relates to prepaid hire for one year for three vessels. The remaining amount related to the prepaid hire is \$3.5 million at September 30, 2014.

20. CAPITAL COMMITMENTS

<i>(in thousands of \$)</i>	Within one year		2-5 years		Total	
	9/30/2014	12/31/2013	9/30/2014	12/31/2013	9/30/2014	12/31/2013
Vessels under construction	117 426	23 511	64 688	171 764	182 114	195 275
Total	117 426	23 511	64 688	171 764	182 114	195 275

The Company has a newbuilding program of eight Supramax vessels. Five of the vessels are expected to be delivered during first half of 2015 while the remaining three are expected to be delivered during first half of 2016.

21. OPERATING LEASES

Rental expense

The future minimum rental payments under the Group's non-cancellable operating leases as of September 30, 2014 are as follows:



<i>(in thousands of \$)</i>	2014	2013
	September	December
Within one year	4 046	25 099
In the second to fifth years	-	17 351
Total minimum lease payments	4 046	42 450

Total rental expense for the third quarter of 2014 for operating leases was \$4.9 million (Third quarter 2013: \$16.1 million). Total rental expense for the period from January to September 2014 was \$35.9 million (same period 2013: \$42.4 million)

Rental income

The minimum future revenue payments (including owned vessels) to be received under the Group's non-cancellable operating leases as of September 30, 2014 are as follows:

<i>(in thousands of \$)</i>	2014	2013
	September	December
Within one year	75 382	67 251
In the second to fifth years	158 200	164 207
Later than five years	30 519	55 918
Total minimum lease revenue	264 101	287 376

Total rental income from operating leases was \$52.7 million in the third quarter of 2014 (Third quarter 2013: \$78.3 million). Total rental income for the period from January to September 2014 was \$193.7 million (same period 2013: \$207.0 million)

22. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial Risk

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

Fair value estimation

The following table presents the Group's assets and liabilities that are measured at fair value at September 30, 2014:

<i>(in thousands of \$)</i>	Level 1	Level 2	Total
At September 30, 2014			
Assets			
Available-for-sale financial assets	1 815	11 326	13 141
Derivative financial instruments (interest swap)	-	4 188	4 188
Total assets	1 815	15 514	17 329



<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

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

Valuation techniques used to derive Level 2 fair values.

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. Fair value of interest rates are set by the bank by using the discounted value of each contract where they use the forward curve for the relevant remaining period as benchmark towards the fixed rates. The values of the units in available-for-sale financial assets are set to market value at the end of the relevant period when the company is listed on the OTC market in Oslo (less liquid than in level 1 requirement).

All open positions on Fuel Derivatives are benchmarked by the banks (our counterpart) against the relevant forward curve for the relevant products and periods that are open.

Fair value of financial assets and liabilities measured at amortised cost.

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

23. SHARE BASED PAYMENTS

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

	2014 September		2013 December	
	Number of share options	Weighted average exercise price USD	Number of share options	Weighted average exercise price USD
At the beginning of the year	4 945 000	0,81	5 000 000	0,91
Exercised year to date	(90 000)		(55 000)	
Outstanding	4 855 000	0,68	4 945 000	0,81
Exercisable	1 480 000	0,83	1 570 000	0,97

Total outstanding share options relates to the program issued in 2012 (4,355,000 options outstanding) and the program issued in 2009 (500,000 options outstanding) that will expire in October 2017 and November 2014 respectively.

24. REFUNDABLE INSTALMENTS

The Company has cancelled nine newbuilding contracts from Zhoushan Jinhaiwan Shipyard Co. Ltd. Five newbuilding contracts were cancelled in 2013 and four in 2012.

In the second quarter of 2014 the Company received awards for all cancelled newbuildings. The newbuilding



contracts were from that point considered to be a receivable. The receivables due not include interest on the two contracts that the Company was not found to be entitled to awarded interest, but installments only.

(in thousands of \$)

At January 1, 2014

Transferred from instalments on cancelled newbuildings	192 976
Carrying amount of received refundable instalments on cancelled newbuildings	(95 108)
Gain from refundable instalments on cancelled newbuildings	4 727

At September 30, 2014

102 595

25. SUBSEQUENT EVENTS

During the fourth quarter the Company has sold the remaining 67,354 shares in Korea Line Corporation at krw 24,949 per share with total proceeds of USD 1.6 million, which will be booked as a profit in the fourth quarter. Including sales proceeds from shares the Company has in total received 6.3 million as a compensation for the default on the charter contracts for Golden Empress and Golden Eminence in 2012.

In October, the Company decided to redeliver the vessel Ocean Minerva to owners during December 2014 and has therefore decided not to declare the optional years and the purchase option. This will result in an accounting loss of \$3.5 million on lease termination in the fourth quarter.