

Press release

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Concordia Maritime upgrading ships and changing fleet disposition

Concordia Maritime has now completed the upgrade of two of its P-MAX tankers to chemical class III, so-called IMO III classification. This means that the vessels are now also able to transport vegetable oils, in addition to refined petroleum products and crude oil.

The vessels in question are the *Stena Performance*, re-delivered from her time charter at the end of June, and the latest addition to the fleet, the *Stena Premium*, delivered from the shipyard in June. An IMO III upgrade means that the vessels' flexibility in the market is increasing and more days laden than in ballast can be achieved.

The *Stena Performance* has been employed on the open market since July. Her operation is handled by Stena Weco on our behalf. Stena Weco is a joint venture between the Stena tanker company Stena Bulk and Danish Weco, a company specialized in transporting vegetable oils.

The *Stena Premium*, is on a 3-year time charter to ST Shipping, a company in the energy conglomerate Glencore.

Concordia Maritime also has, in return for compensation, reached an agreement with the French energy company Total for the early re-delivery of one of the four vessels on charter to them. This P-MAX, the *Stena Provence*, will therefore be employed in the open market from August and it is planned to upgrade also her to IMO III during the autumn.

Hans Norén, President, commented:

"The *Stena Performance* was the first P-MAX in our fleet to be re-delivered from her time charter contract and it is important to get as much flexibility as possible on the spot market and thus increase earning potential. The IMO III upgrade is an important factor in this respect. We have worked hard on this project since January and it is satisfying to note that two of our vessels have now been upgraded.

We are also very much looking forward to working with Stena Weco, which, in addition to being experts in transporting oil, also has extensive knowledge and a large market presence when it comes to transporting vegetable oils.

The French energy company Total has been involved in the P-MAX project since the beginning in 2002/2003. We have now agreed on the re-delivery of one of the four P-MAXs they charter from us about 1.5 years in advance. Both companies' tonnage needs change over time and it is natural and entirely consistent with our good collaboration to reach this type of settlement."

Göran Hermansson, CFO, commented:

"The investment in the IMO III upgrade amounts to slightly below USD 1 million, equivalent to about SEK 6 million per vessel. However, it also increases the vessels' market value by at least this amount. Our forecast for 2011, USD 10-13 million in result before tax, equivalent to SEK 65-85 million, remains unchanged."

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