

The Containership Company ASA

Company and Group financial statements for 2010

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The Containership Company ASA
Company and Group financial statements for 2010

Statement of comprehensive income

Figures are in USD

Parent				Group
01.01 - 31.12			Note	1.1-31.12
2010	2009			2010
404 709	0	Revenue	7	83 758 250
0	0			0
404 709	0	Operating income		83 758 250
0	0	Operating costs		82 945 833
498 128	0	Administrative expenses	6	3 044 246
148 460	0	Depreciation expenses		246 654
0	0	Write down on tangible assets		0
870 536	24 351	Other operating expenses	5, 9, 11	4 182 095
-1 112 415	-24 351	Operating profit		-6 660 579
72 700	196	Other interest income	8	78 215
12 522		Other financial income	8	74 605
102	25	Other interest expenses	8	5 261
14 297 482		Write down of shares in subsidiaries	2	0
1 587 176		Other financial expenses	8	2 618 573
-16 911 953	-24 180	Operating result before tax		-9 131 593
0	13	Income tax expense	9	0
-16 911 953	-24 193	Annual net loss for the year		-9 131 593
		Other comprehensive income		
0	0	Foreign currency translation differences		834 471
-16 911 953	-24 193	Total comprehensive loss for the year		-8 297 122
		Proposed coverage of loss		
0	-24 193	From other equity		
-8 297 122	0	From share premium reserve		
-8 614 831		To losses carried forward		
-16 911 953	-24 193	Total coverage of loss		
		Earnings per share		
-1,503		Basic earnings per share	10	
-1,503		Diluted earnings per share	10	

The Containership Company ASA
Company and Group financial statements for 2010

Statement of financial position

Figures are in USD

Parent			Group
31.12	31.12	Note	31.12
2010	2009		2010
Assets			
Non-current assets			
Tangible fixed assets			
0	0		9 254
		Machinery and equipment	
<u>0</u>	<u>0</u>	Total tangible assets	<u>9 254</u>
<u>0</u>	<u>0</u>	Total fixed assets	<u>9 254</u>
Current assets			
0	0	Inventories and consumables	2 612 906
			16
Debtors			
0	0	Accounts receivables	11 164 560
488 359	5 928	Other receivables	349 190
0	0	Prepayments	389 213
			14
			14
<u>488 358</u>	<u>5 928</u>	Total debtors	<u>11 902 963</u>
6 140 709	12 248	Cash and bank deposits	10 739 012
			15
<u>6 629 068</u>	<u>18 176</u>	Total current assets	<u>25 254 881</u>
<u>6 629 068</u>	<u>18 176</u>	Total assets	<u>25 264 135</u>

The Containership Company ASA
Company and Group financial statements for 2010

Statement of financial position

Figures are in USD

Parent			Group
31.12	31.12	Note	31.12
2010	2009		2010
Equity and liabilities			
Equity			
Restricted equity			
230 299	17 311	Share capital 13.500.000 shares at 0,017	230 299
14 801 804	0	Share premium reserve	14 801 804
15 032 103	17 311	Total restricted equity	15 032 104
Retained earnings			
0	834	Other equity	0
-8 614 831	0	Loss brought forward	0
-8 614 831	834	Total retained earnings	0
6 417 272	18 145	Total equity	15 032 104
Liabilities			
Current liabilities			
0	0	Prepayments from customers	299 340
27 145	16	Trade payables	9 412 573
0	15	Tonnage and corporate tax payables	67 983
57 006	0	Public duties payables	57 006
127 645	0	Other short term liabilities	395 129
211 796	31	Total short term liabilities	10 232 031
211 796	31	Total liabilities	10 232 031
6 629 068	18 176	Total equity and liabilities	25 264 135

Copenhagen, 15. juni 2011

Arne Alexander Wilhelmsen
Chairman of the Board of Directors

Jesper Kjædegaard
Board member

Naja Dannow
Board member

Jakob Tolstrup-Mølle
Managing Director

The Containership Company ASA
Company and Group financial statements for 2010

Statement of cash flows

Figures are in USD

Parent			Group
01.01 - 31.12			01.01 - 31.12
2010	2009		2010
			Note
		Cash flow from operating activities	
-16 911 953	-24 180	Result before tax	-9 131 593
14 297 482	-	Write down of financial assets	-
148 460	-	Depreciations	246 654
-	-	Changes in inventory, accounts receivables and accounts payables	-4 754 107
-297 795	19 295	Other changes	701 625
-2 763 806	-4 885	Net cash flow from operating activities	-13 015 635
		Cash flows from investment activities	
5 500 300	-	Proceeds from sale of fixed assets	5 166 677
-6 110 000	-	Payments for purchase of fixed assets	-5 255 533
-14 297 482	-	Investments in subsidiaries	-
-14 907 182	-	Net cash flows from investing activities	-88 857
		Cash flow from financing activities	
23 328 405	-	Cash paid equity from issue of new shares	23 328 405
23 328 405	-	Net cash flows from financing activities	23 328 405
471 044	-	Changes in foreign currency exchange rates	480 570
6 128 461	-4 885	Net change in cash and cash equivalents	10 704 483
12 248	17 133	Cash and cash equivalents 01.01	34 530
6 140 709	12 248	Cash and cash equivalents 31.12	10 739 012

Note 2 - Group activities

Group activities:

The Containership Company AS was formed on 5. June 2006. It was inactive until March 2010 when it was transformed into an ASA (allmennaksjeselskap) named The Containership Company ASA (TCC ASA).

The company's main activities encompass chartering of container vessels to support the container liner operations and investments in vessels and vessel owning entities, either direct or indirect through acquisitions of shares, partnerships or financial instruments. The company's shares are traded as OTC shares in Oslo. The company is headquartered at Lysaker in Oslo, Norway.

In January 2010 The Containership Company ASA acquired 100 % of the shares in the Danish company "The Containership Company ApS" which later was transformed to "The Containership Company A/S". The group structure was established at that point of time.

Capital was raised in the TCC ASA during spring 2010 in total of USD 23.328.405. About MUSD 14 was used to increase equity in TCC A/S.

TCC A/S, formerly The Containership Company ApS, is a 100% owned subsidiary that is registered in Copenhagen, Denmark. This company was formed on 1. October 2009, but the business operations of this entity did not commence until 1. March 2010.

TCC A/S operated the container line, The Great Dragon Service, between port(s) in China and Los Angeles in USA until 8. April 2011. 5 container vessels were operated in the regular liner service.

The liner operation in China and USA was represented by third party agents, representing TCC A/S in respect of issuing freight documents and invoices, performed collection services and were in charge of the daily operations at the ports.

Ultimo 2010 TCC A/S formed two new subsidiaries, The Containership Company ApS and The Containership (TCC) of Copenhagen P/S ("TCC P/S"). There have not been any activity in these two subsidiaries during the course of 2010 and consequently no financial statements have been prepared and approved for these entities.

Due to a general decrease in the budgeted freight rates which, combined with an increased competition from container line services in the Transpacific, the vessels have not been filled with as many containers as expected. At the same time, TCC A/S experienced an increased local competition between the Chinese ports resulting in a lower demand for shipping of freight from the port of Taicang. Also several of TCC A/S's customers have not performed the contracts concluded in respect of the minimum dispatch of containers. Combined with a considerable increase in fuel prices these factors have jointly resulted in TCC A/S's cost level being considerably higher than budgeted and, at the same time, TCC A/S has not been able to generate the required turnover the result of which has been loss-making operations.

On April 8th 2011 the Board of Directors in TCC A/S entered into a financial reconstruction process under the Danish Bankruptcy Act. The reconstruction is still in process and is yet to be finalized. In connection with entering into the reconstruction process the Board of Directors in TCC ASA decided to terminate the operations in the company consisting primarily of the liner operations.

Identified losses resulting from impairment of investments in fixed assets and non-recurring costs associated with the financial reconstruction of TCC A/S have been charged to the financial statements as of December 31st, 2010.

Further losses, which is not reflected in the financial position as of December 31st, 2010 may be a consequence of the finalization of the restructuring process and the discontinuance of the liner activities of subsidiaries of TCC ASA.

For further information about these events see Note 18 - "Events after the balance sheet date, contingent liabilities and going concern"

Note 3 - List of subsidiaries

The following subsidiaries are included in the consolidated financial statements:

Company	Country of incorporation	Main operations	Ownership interest	Voting power
The Containership Comany A/S	Denmark	Shipping	100 %	100 %
The Containership Comany Pte Ltd	Singapore	Shipping	100 %	100 %
The Containership Comany P/S	Denmark	Shipping	100 %	100 %
The Containership Comany ApS	Denmark	Shipping	100 %	100 %

The Containership Company ASA owns 100 % of the shares in The Containership

Company A/S which in turn owns 100 % of the 3 other entities.

Note 4 - Estimation uncertainty

In the process of applying the Group's accounting policies in according to IFRS, management has made several judgements and estimates. All estimates are assessed to the most probable outcome based on the managements best knowledge. Changes in key assumptions may have significant effect and may cause material adjustments to the carrying amounts of assets and liabilities, equity and comprehensive income for the year.

Note 5a - Other Operating Costs - Parent

	2010	2009
Office equipment	23,678	0
Telephone and Internet	23,413	0
Maintenance and cleaning costs	7,806	0
Rental and leasing costs	32,492	0
Travel costs	118,009	0
Consultancy fees and external personnel	150,265	1,592
Loss on disposal of fixed assets*	461,240	0
Other costs	53,634	22,759
Total operating costs	870,537	24,351

*Loss on disposals of fixed assets relates to purchase and sale of containers in 2010.

Specification auditor's fee	2010	2009
Statutory audit	0	1,592
Other assurance services	30,338	0
Total	30,338	1,592

Note 5b - Other Operating Costs - Group

	2010
Office equipment	245,387
Telephone and Internet	73,748
Maintenance and cleaning costs	9,101
Rental and leasing costs	48,277
Travel costs	409,509
Consultancy fees and external personnel	321,901
Loss on disposal of fixed assets*	417,239
Reservation for bad debt	99,924
Administration fees	1,580,380
Reconstruction related costs	912,924
Other costs	63,705
Total operating costs	4,182,095

*Loss on disposals of fixed assets relates to purchase and sales of containers in 2010.

Specification auditor's fee	2010
Statutory audit	23,126
Other assurance services	16,899
Other non-assurance services	60,016
Tax consultant services	3,558
Total	103,599

Note 6a - Salary and personell expense and management remuneration - Parent

	2010
Salaries and holiday pay	368 173
Employer tax	49 844
Board of Director's fee	67 970
Pension costs defined contribution plans	11 462
Other personell costs	679
Total salaries and personell expense	498 128

The number of man-years that has been employed during the financial year has amounted to 1,84 persons situated in Norway

Note 6b - Salary and personell expense and management remuneration - Group

	2010
Salaries and holiday pay	2 181 263
Employer tax	49 844
Board of Director's fee	67 970
Pension costs defined contribution plans	274 142
Other personell costs	90 713
Total salaries and personell expense	2 663 932

The number of man-years that has been employed during the financial year:

	2010
Europe	10,6
North America	1,67
South East Asia	4,33
Total	16,6

Management remuneration

The Group Management consists of the Group Directors. Group Directors are the managing director in TCC ASA and the managing director in TCC A/S, in addition to members of the management team of TCC A/S.

	Board remuneration	Salary	Pension cost	Value of options granted ¹	Total remuneration
Management					-
Jakob Tolstrup-Møller (CEO)		222 917	4 333		227 250
Franck Kayser (Managing Director TCC A/S)		353 231	48 108		401 339
Vagn Pedersen (Snr. Vice President TCC A/S)		178 594	30 293		208 886
Barbara Scheel (Snr. Vice President TCC A/S)		155 176	26 319		181 495
Members of the Board					
Arne Alexander Wilhelmsen (Chairman)	33 960				33 960
Naja Dannow (Member)	16 980				16 980
Jesper Kjædegaard (Member)	16 980				16 980
Total remuneration	67 920	909 918	109 053	-	1 086 890

¹ Jakob Tolstrup-Møller and Franck Kayser have received warrant shares which can be exercised in a period between 12 months and 42 months after March 1st 2011. So far, no warrants have been exercised.

No member of the Group Management has received remuneration or economical benefits from other companies in the Group, other than what is stated above. No additional remuneration has been granted for services outside the normal functions as a Director.

No loans or guarantees have been given to any members of the Group Management, the Board of directors or other corporate bodies.

CEO has a term of notice of 6 months. For other members of management, 3 months apply.

Note 7 - Transactions with related parties

The Containership Company ASA has provided management services for the The Containership Company A/S for a total of USD 404 709, of this 189 825 relates to management services. In a similar manner The Containership Company A/S has provided management services for The Containership Company ASA amounting to USD 15 099 for 2010, mainly relating to accounting and other services.

The company's managing director has a controlling ownership share in Boxton Holding AS which is a shareholder of TCC ASA. TCC ASA has an agreement with Boxton Holding AS related to office rent, supplies and accounting services. For these services, a fee of USD 83 808 has been charged in 2010.

A "back to back" agreement is entered into related to T/C agreements where the T/C agreement is transferred from The Containership Company ASA to The Containership Company A/S. The Containership Company ASA receives a commission of 1.25 % for the risk assumed by the transaction. In total this amounts to USD 214 884 in 2010.

All related party transactions are on assumed arm-lengths terms.

Note 8a - Financial income and expenses - Parent

Financial income	2010	2009
Interest income	72,700	196
Gain on financial instrument held for trading	0	0
Gain on financial instruments designed at fair value upon intial	0	0
Gain on held-to maturity instruments	0	0
Gain on loans and receivable	0	0
Foreign exchange gains	12,522	0
Total financial income	85,222	196
Financial expenses	2010	2009
Interest expense	102	25
Gain on financial instrument held for trading	0	0
Write down of financial assets	14,297,482	0
Loss on held-to maturity instruments	0	0
Loss on loans and receivable	0	0
Foreign exchange losses	1,587,176	0
Other financial expenses	0	0
Total financial expenses	15,884,760	25
Net financial expenses	-15,799,538	171

Note 8b - Financial income and expenses - Group

Financial income	2010
Interest income	78,215
Interst received from debtors	11,234
Gain on financial instruments designed at fair value upon intial	0
Gain on bunker forward contracts	50,926
Gain on loans and receivable	0
Foreign exchange gains	12,522
Total financial income	152,897
Financial expenses	2010
Interest expense	5,261
Gain on financial instrument held for trading	0
Loss on financial instruments designed at fair value upon intial	0
Loss on held-to maturity instruments	0
Loss on loans and receivable	0
Foreign exchange losses	2,618,650
Other financial expenses	0
Total financial expenses	2,623,911
Net financial income expenses	-2,471,014

Note 9a - Income tax - Parent

Income tax expense:

	2010	2009
Tax payable	0	13
Changes in deferred tax	0	0
Income tax expense	0	13

Income tax payables:

	2010	2009
Tax payable for the year	0	13
Total tax payable	0	13

Reconciliation of effective tax rate:

	2010	2009
Operating result before tax	-16 911 953	-24 180
Calculated taxes using the nominal income tax rate in Norway (28%)	-4 735 347	-6 770
Net temporary differences	386 837	0
Write-down of financial fixed assets	4 003 296	0
Use of loss carried forward	0	-410
Non deductible expenses	8 103	62
Non-taxable income	337 112	0
Group contribution received	0	7 119
Tax on ordinary result	0	0

Spesification of deferred tax liabilities and assets:

	2010	2009
Fixed assets / Long term debt	-295 036	0
Current assets /Short term debt	0	0
Losses carried forward	-91 801	0
Sum	-386 837	0
Valuation allowance	386 837	0
Net recognized deferred tax assets	0	0

Deferred tax assets have not been recognized as it is significant uncertainty regarding future utilization.

Note 9b - Income tax - Group

Income tax expense:

	2010
Current taxes payable*	0
Changes in deferred tax	0
Income tax expense	0

Tonnage taxes are treated as an operational expense and is included in "Other operating expenses"

Taxes payable:

	2010
Tax payable for the year	0
Tonnage tax 2010	67 983
Total tax payable	67 983

Reconciliation of effective tax rate:

	2010
Operating result before tax	-9 131 593
Calculated taxes using the nominal income tax rate in Norway (28%)	4 735 347
Net temporary differences	386 837
Write-down of financial fixed assets	4 003 296
Use of loss carried forward	0
Non deductible expenses	8 103
Non-taxable income	337 112
Income tax expense	0

Spesification of deferred tax liabilities and assets:

	2010
Fixed assets / Long term debt	295 036
Current assets /Short term debt	0
Losses carried forward	91 801
Sum	386 837
Valuation allowance	386 837
Net recognized deferred tax assets	0

Deferred tax assets have not been recognized as it is significant uncertainty regarding future utilization.

Note 10 - Earnings per share - Group

The basic earnings per share is calculated as the ratio of the annual loss for the year that is due to the shareholders of the parent of USD 16.911.953 divided by the weighted average number of ordinary shares outstanding, 11.250.000. Shares were increased March 1 from 100 to 13.500.000.

When calculating the diluted earnings per share, the profit that is attributable to the ordinary shareholders of the parent and the weighted average number of ordinary shares outstanding are adjusted for all the dilution effects relating to convertible bonds and share options. The “denominator” takes account of all the shares that can be received if all the share options that are “in-the-money” and can be exercised. In the calculations, share options are assumed to have been exercised on the first date in the fiscal year. Share options issued this year are assumed to be exercised at the grant date. The dilution effect on share options are calculated as the difference between average fair value in an active market and the sum of not recognised cost portion of the options.

At the General Meeting on August 3 2010, approval was given for the Board of Directors to increase the share capital with USD 85.377 (NOK 500.000) by issuing 5.000.000 new shares with a nominal value totaling USD 0,017 (NOK 0,1). No shares have been issued with respect to this approval.

Loss for the year due to holders of ordinary shares		2010
Loss for the year from continuing operations		-16 911 953
Loss for the year due to the holders of ordinary shares		-16 911 953
Diluted profit		2010
The effect of dilution from share options		0
Diluted loss for the year due to the holders of ordinary shares		-16 911 953
Diluted average number of shares outstanding		2010
Average number of shares outstanding (Note 17)		11 250 000
Effect of dilutive potential ordinary shares:		0
Share options		0
Diluted average number of shares outstanding		11 250 000
Earnings per share:		2010
Continued operations		
- Basic		(1,50)
- Diluted		(1,50)

Note 11a - Leases - Parent

TCC ASA as a lessee – operating leases

TCC ASA has entered into different operating leases for vessels, containers, officespace etc. The lease agreements for vessels have all been transferred to TCC A/S effective the date the lease was signed. As for lease of equipment TCC ASA have had no active part in the lease agreement and purely serve as co-signee. Most of the leases contain an option for extension.

The leases do not contain any restrictions on the company's dividend policy or financing.

Specification of operating lease costs:

	2010
Ordinary lease payments	32.383
Contingent payments	0
Payments received on subleases	0
	32.383

The future minimum leasepayments related to non-cancellable leases fall due as follows:

Within 1 year	69.983
1 to 5 years	349.914
After 5 years	0
Sum	419.897

Note 11b - Leases - Group

The Group as a lessee – operating leases

The Group has entered into different operating leases for vessels, containers and office space. Most of the leases contain an option for extension.

Some leases have contingent payments as a percentage of the sales proceeds from the asset. The leases do not contain any restrictions on the company's dividend policy or financing.

Specification of operating lease costs:

	2010
Ordinary lease payments	
- vessels	13.373.040
- containers	2.458.547
- office rent etc.	68.192
Contingent payments	0
Payments received on subleases	-4.216.112
	11.683.667

The future minimum rents related to non-cancellable leases fall due as follows:

Within 1 year	
- vessels	8.470.600
- containers (estimated)	1.838.282
- office rent etc.	88.142
1 to 5 years (containers)	1.338.312
After 5 years	0
Sum	11.735.336

Some of the assets leased under non-cancellable operating leases are subleased. The Group expects to receive USD 1,88 mill. in future minimum rent for assets that the Group subleases as at 31 December 2010.

Note 12a: Financial instruments - Group

Financial risk

The Group uses financial instruments like bank deposits. In addition the Group has financial instruments such as account receivables, accounts payables etc. which are directly linked to the every day operation. The Group uses some financial derivatives for hedging purposes. The Group does not apply hedge accounting.

Guidelines for risk-management have been approved by the board and are carried out by the Group finance department in cooperation with the individual operational units.

The most significant financial risks for the Group are fluctuations in bunker prices, interest rate risk, liquidity risk and exchange rate risk. Management continuously evaluates these risks and determines policies related to how these risks are to be handled within the Group.

The Group uses financial instruments to hedge its risks associated with bunker purchases. The Group uses financial derivatives to reduce these risks in accordance with the Group's strategy for its bunker purchases.

(i) Credit risk

The Group is exposed to credit risk primarily related to accounts receivable and other current assets. The Group limits the exposure to credit risk through credit evaluation of its customers before credit are granted.

The Group has guidelines for ensuring that sales are only made to customers that have not experienced any significant payment problems, and that outstanding amounts do not exceed certain credit limits.

The Group has not provided any guarantees for third parties liabilities.

The maximum risk exposure is represented by the carrying amount of the financial assets, including derivatives, in the statement of financial position. Counterparty for derivative financial instruments is normally a bank, the credit risk linked to these financial derivatives is limited. The Group regards its maximum credit risk exposure to the carrying amount of trade receivables and other current assets.

(ii) Interest-rate risk

The Group is exposed to interest-rate risk through its funding activities. Interest bearing deposits and debt has floating interest rate conditions which makes the Group influenced by changes in the market rate. The Group has no hedging activities in place to reduce the exposure to fluctuating market interest rates.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups reputation.

Surplus liquidity is primarily placed in short term bank deposits.

The table below sets out the maturity profile of the Groups for financial liabilities based on contractual undiscounted payments. When a counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which the entity can be required to pay. Financial liabilities that can be required to be repaid on demand are included in the "within 1 year" column.

31.12.2010	Period left					Total
	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years	
Financial liabilities (non-derivative)						
Accounts payable and other payables	10 232 031					
Derivatives						
Bunker Hedges - outflow*						
Total	10 232 031	0	0	0	0	0

* The bunker hedges were evaluated at mark to market as of December 31, 2010 and were classified as a net current asset (see note 15)

(iv) Exchange rate risk

The Group is exposed to changes in the value of USD relative to other currencies, due to operations in foreign entities with different functional currencies. The carrying amount of the Groups net investment in foreign entities varies with changes in the value of USD compared to other currencies. The net income of the Group is also affected by changes in exchange rates, as the profit and loss from foreign operations are translated into USD using the weighted average exchange rate for the period. The Group do not enter into forward/futures contracts and option agreements in order to reduce the exchange-rate risk in cash flows nominated in foreign currencies. The exchange-rate risk is considered for each foreign currency and takes into account assets and liabilities, liabilities not recognised in the statement of financial position and very probable purchases and sales in the currency in question.

Other disclosures

The probable future transactions which are hedged with forward bunker purchase contracts are assumed to take place within 12 months.

Capital structure and equity

The primary focus of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders value. The group manages its capital structure and makes adjustment to it, in lighth of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year 31. December 2010. Capital includes equity shares.

Note 12b: Financial instruments - Fair value - Group

Determination of fair value

The fair value of financial assets classified as "available for sale" and "financial assets at fair value through profit or loss" is determined by reference to published price quotations in an active market.

The following of the Group's financial instruments are not measured at fair value: cash and cash equivalents, trade receivables, other current receivables, overdraft facilities, long-term debts and "hold-to-maturity" investments.

The carrying amount of cash and cash equivalents is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables is approximately equal to fair value since

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments.

	2010	
	Book value	Fair value
<i>Financial assets</i>		
Cash and cash equivalents	10,739,012	10,739,012
Trade receivables	11,164,560	11,164,560
Other current assets	738,403	738,403
<i>Financial liabilities</i>		
Trade and other payables	10,232,031	10,232,031
Interest-bearing loans and borrowings:	0	0
Forward bunker purchase contracts	69,500	69,500

Fair value hierarchy

The Group uses the following valuation technique for determining and disclosing the fair value of forward bunker hedges:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Note 13 - Account receivables - Group

	2010
Trade accounts receivables	4.306 092
Other accounts receivables	6.858 468
Accounts receivables	11.164 560

The provision for bad debt was USD 446.639 as of 31.december 2010.

Losses for bad debt are classified as other operating expenses in the income statement.

Credit risk and foreign exchange risk regarding accounts receivable is discussed in note 12a.

Aging of accounts receivable as of 31.12.2010 was as follows:

	Total	Overdue			
		Less than 30 days	30-60 days	60-90 days	More than 90 days
2010	#####	9 954 387	539 951	472 501	197 721

Note 14a - Other current assets - Parent

	2010	2009
VAT receivables	52 816	0
Receivables on group entities	387 023	5 928
Loans to employees	0	0
Other current assets	48 470	0
Total other current assets	488 309	5 928

Note 14b - Other current assets - Group

	2010
Pre-paid expenses	349 190
VAT receivables	137 232
Other current assets	200 918
Derivative and hedges	51 063
Total other current assets	738 403

Note 15a - Cash and cash equivalents - Parent

	2010	2009
Cash	71	0
Short-term bank deposits	6 140 638	12 248
Cash and cash equivalents in the balance sheet	6 140 709	12 248
Overdraft facility	0	
Cash and cash equivalents in the cash flow statement	6 140 709	12 248

According to Norwegian regulations employees withheld taxes payables are placed on a restricted bank account and amounts to USD 39.244

Note 15b - Cash and cash equivalents - Group

	2010
Cash	694
Short-term bank deposits	10 738 318
Cash and cash equivalents in the balance sheet	10 739 012
Overdraft facility	0
Cash and cash equivalents in the cash flow statement	10 739 012

According to Norwegian regulations employers tax deductions are placed on a restricted bank account and amounts to USD 39.244

No other restrictions are in place for bank accounts.

Note 16 - Inventories - Group

	2010
Finished goods:	
Bunkers	2 612 906
Total finished goods	2 612 906

Inventories have not been pledged for any loans.

No write-down has been performed for inventory as it relates to fuel onboard vessels.

Note 17 - Share capital, shareholder information and dividend

	2010	2009
Ordinary shares, nominal amount USD 0,017/173,11 (09)	13.500.000	100
Total number of shares	13.500.000	100

Changes to share capital and premium:

	No. of shares		Share capital		Premium	
	2010	2009	2010	2009	2010	2009
Ordinary shares						
Issued and fully paid 1 January	100	100	17.311	17.311	0	
Share options exercised	0		0		0	
Issued new share capital March 1, 2010	13.499.900		212.988		23.098.106	
31 December	13.500.000	100	230.299	17.311	23.098.106	0

All issued shares have equal voting rights and the right to receive dividend.

The average number of outstanding shares is 11.250.000 based on there being 100 shares from January 1 to March 1 and 13.500.000 shares from March 1 to December 31, 2010.

Changes in equity

Parent:

	Share capital	Share premium	Loss brought forward	Other comprehensive income	Total
Balance at 1. January 2010	18.145				18.145
Issued new share capital	212.154	23.098.940			23.311.094
Total annual loss for the year		-8.297.122	-8.614.831		-16.911.953
Balance at 31. December 2010	230.299	14.801.804	-8.614.831	0	6.417.272

Group:

	Share capital	Share premium	Loss brought forward	Other comprehensive income	Total
Balance at 1. January 2010	18.145				18.145
Issued new share capital	212.154	23.098.940			23.311.094
Total annual loss for the year		-8.297.122	-834.471		-9.131.593

Other comprehensive income

Foreign currency translation differences				834.471	834.471
Balance at 31. December 2010	230.299	14.801.804	-834.471	834.471	15.032.104

For computation of earning pr share and diluted earning pr share see note 10.

At the General Meeting on August 3 2010, approval was given for the Board of Directors to increase the share capital with USD 85.377 (NOK 500.000) by issuing 5.000.000 new shares with a nominal value totaling USD 0,017 (NOK 0,1).

The following investors have more than 1 % shares as of December 31st:

	Number of shares:	Ownership interest:
AWILCO INVEST AS	2565000	19,00 %
EUROCLEAR BANK S.A./N.V. ('BA')	1482300	10,98 %
CITIGROUP GLOBAL MARKETS LTD.	987000	7,31 %
BOXTON HOLDING AS	700000	5,19 %
MORGAN STANLEY & CO INC. NEW YORK	642700	4,76 %
HOLBERG NORGE	641000	4,75 %
ODIN MARITIM	625000	4,63 %
DEUTSCHE BANK AG LONDON	546000	4,04 %
CREDIT SUISSE SECURITIES	529000	3,92 %
HOLBERG NORDEN	460000	3,41 %
DELPHI NORGE	380000	2,81 %
FRANK KAYSER	300000	2,22 %
REGNI AS	282000	2,09 %
WARRENWICKLUND NORGE	275000	2,04 %
IB HOLDING AS	257000	1,90 %
MORGAN STANLEY & CO INTERNAT. PLC	245100	1,82 %
REINESKARVET AS	210000	1,56 %
HØGSET HOLDING AS	204000	1,51 %
DNB NOR NAVIGATOR	199362	1,48 %
TERRA NORGE	192000	1,42 %
DELPHI NORDEN	162000	1,20 %
NORTURA KONSERNPENSJONSKASSE	161000	1,19 %
SKANDINAVISKA ENSKILDA BANKEN	152000	1,13 %

There are no treasury shares as at 31. December 2010.

The shares owned by Awilco Invest AS is controlled by the Chairman of the Board.

The shares owned by Boxtton Holding AS and IB Holding AS is controlled by the managing director Jakob Tolstup-Møller.

Frank Kayser is Chief Operating Officer within the Group.

Note 18 - Events after the balance sheet date, contingent liabilities and going concern

After the balance sheet date, it became evident primo April 2011 that agreed freight revenues from China would fail to materialize and that shippers not meeting contractual cargo volumes committed (MQC) under the 2010/11 season service contracts would not honor the agreed compensation charge from TCC covering this volume shortfall (contractually agreed liquidated damages).

Upon the occurrence of these events, the Board of Directors and management immediately decided to submit a petition for financial reconstruction of TCC A/S in Denmark and the law firm Bech Bruun (lawyer Jørgen Hauschildt) was appointed as the "Reconstructor". In cooperation with management, the Reconstructor has now prepared a "Reconstruction Plan" which on 4. Mai 2011 was approved by Sø- og Handelsretten in Copenhagen, Denmark.

Prior to these subsequent events the 100% owned subsidiary TCC A/S exercised one of the 4 purchase options related to the vessels operated on Time Charter at year end. The purchase of Mv. "Taichang Dragon", was completed on the 16. March 2011 where TCC A/S 100% owned TCC P/S acquired the vessel for USD 28,8 million. As part of the Reconstruction Plan for TCC A/S it was decided to sell the vessel and a sales agreement was entered into, selling the Taichang Dragon for USD 32,2 million net of commission basis prompt charter free delivery and the vessel was delivered to the Buyers primo June, 2011.

After these events had occurred and it was decided to submit a petition for reconstruction of TCC A/S in Denmark it became clear that TCC A/S did not have sufficient liquidity to arrange for the 5 vessels, operated in the liner service, unloaded and get into a position to secure new business for employing them. In order to avoid infinite claims from vessel owners against TCC ASA in Norway, TCC ASA decided to cancel the assignment of the vessels to TCC A/S, take over operational control and arranged unloading of all the vessels. Taking these immediate steps, TCC ASA were able to immediately enter into a sublet charter of 3 vessels to Mediterranean Shipping Company, Geneva, with a positive margin. Furthermore, TCC ASA cancelled and returned the remaining vessels to their respective vessel owners since the cost of and liquidity required to position these vessels in order to secure new employment would have caused a significant liquidity strain.

For the vessels where TCC ASA cancelled the Time Charter contracts, the vessel owners have now secured alternative employment on an improved Time Charter rate and TCC ASA has entered into a final agreement regarding compensation to cover the vessel owners' mitigated loss due to the premature cancellation of the Time-Charter contracts.

In order to reduce costs associated with lease containers in terminals and depots to a minimum, it was further decided to release and return all leased containers to leasing companies. The vast majority of lease containers have now been returned to the leasing companies who have already secured or are in the process of securing new employment for the returned containers with other line operators. The final potential claim for compensation for incurred actual losses from the leasing companies is yet to be received. However, management's general assessment is that the prevailing lease rates in the existing market are significantly better than the rates paid by TCC under their contracts with the leasing companies. If the leasing companies fulfill their obligation to mitigate potential losses to the extent possible, we expect that the potential claims will be manageable.

The operations and organization of TCC A/S in Denmark have been discontinued and are in the process of being wound up.

The organization of TCC ASA in Norway has been reduced to a minimum and in such a manner that the expected future revenues from sublet of vessels will cover the running operating costs whilst the Reconstruction of TCC A/S in Denmark is being completed.

The most significant risk factors for TCC ASA relates to the following;

1. Final claims for coverage of potential losses from container leasing companies after they have duly fulfilled their obligations to mitigate any losses and with the American doctrine for "unjust enrichment" taken into due consideration, and;
2. Final result of the Reconstruction of TCC A/S in Denmark where it is still expected that the assets will exceed the liabilities when the Reconstruction is completed, and;
3. Continued profitable sublet Time Charter for the remaining 3 vessels which are all employed with Mediterranean Shipping Co., Geneva, Switzerland (MSC).

As of today, TCC ASA's ability to continue as a going concern is uncertain and will mainly depend on the final and positive outcome of the risks outlined above being;

- potential claims from the leasing companies, and;
- successful reconstruction of TCC A/S, and;
- continued profitable sublet of the 3 vessels on Time Charter.

In case of an unsuccessful financial outcome of either of these matters, further losses not reflected in the financial statements for 2010 may be incurred.