



Green Reefers ASA

Consolidated report 2nd quarter and 1st half year 2011

- EBITDA at USDM -1,0 (USDM -5.4) in 2Q.
- Spot rates in the quarter corresponding same period last year.
- Operating expenses continuing a decreasing trend.
- Three vessels sold for recirculation during the quarter.

Results 2nd Quarter 2011

The group experienced a pre-tax result from continued operation of USDM -11.0 in 2Q 2011 (USDM -13.0).

Figures of operating income are not comparable with 2010 as main principle for reporting of operating income has changed due to various pool arrangements in which the Group joined during 2010. Operating income is reported as net pool income after deduction of voyage related costs. The net operating income was USDM 19.5 in 2Q 2011 (USDM 19.2).

Operating result before depreciation (EBITDA) was USDM -1.0 (USDM -5.4).

Depreciations in the quarter are USDM -5.3 (USDM -7.5). The decrease is mainly due to reduced number of vessels and higher remaining value of the fleet due to increased steel prices.

The development in spot rates has shown a decreasing trend towards the end of the quarter. This is normal for the conventional reefer fleet, but the reduction has been more significant this year and continued throughout the summer. The spot rates have been on a historical low level, and can be explained by lack of cargo. Less export of fish from Norway and from West Africa is one of the main explanations.

High bunker prices continue to stress the margins in the industry, and with gross freight income at same level as last year, the contribution margin to the ship-owners is low.

Unplanned technical off-hire (0.7%) was lower this quarter compared to the same period last year (5.9%). Second quarter operational cost for the vessels was USD 5,212 per day, also down compared with first quarter and the same period last year (USD 5,845 per day). There has been non dockings in second quarter, compared to four dockings during the same period last year.

Results 1st half year 2011

Pre-tax result for continued operation the first half year 2011 was USDM -14.7 (USDM -17.1).

The Group's net operating income was USDM 42.6 (USDM 47.7). The EBITDA was USDM 2.4 (USDM -3.0).

The reduction in net operating income is a consequence of operating less vessels than last year. Average spot rates in first half 2011 was at the same level as last year, but show a substantial lower level at the end of the period compared to 2010. Operation costs per June 2011 average USD 5,229 per day and give a reduction from USD 5,788 per day compared to first half 2010.

Activities

Green Reefers own 26 vessels. In addition, four vessels are hired on bareboat and two vessels on time charter. The commercial activities are carried out by Silver Green AS (six vessels), Seatrade Reefer Chartering N.V. (six vessels) and Hamburg Reefer Pool N.V. (20 vessels).

Three vessels are sold for recirculation during second quarter. The sales gave a loss of USDM 0,9.

The sale of the terminal activity was authorised by the General Meeting in April, with effect from end of Q1 2011.

Finance and capital structure

Interest-bearing debt totals USDM 131.5 as of 30 June 2011 (USDM 150.5). Of the group's debt, 86 % is in USD and 14 % in EUR. Cash deposit was USDM 9.0 (USDM 13.4). Due to sale of terminals and vessels, debt is reduced with USDM 15,5 in second quarter.

Booked equity 30 June 2011 was USDM 55.2 (USDM 77.7). Equity ratio was 28% (30%). A reversal split of the number of shares was approved at the General Meeting, 40 old shares gave one new share.

At present, the Group's liquidity position is challenging, but the company has a positive dialog with its' banks. The Company is working on a financing solution and expects to agree terms within 3rd quarter 2011.

The Market and prospects

The expectations for market improvements in 2011 have so far not come true, and we are facing very low spot rates.

As a consequence of the low spot market the scrapping has been on a record high level during first half of 2011, where 33 vessels have been scrapped. In addition, vessels are in lay-up. It is expected that total deliveries for scrapping in 2011 will exceed last year and hopefully lead to a better balance between demand and supply.

Business development will at large depend on future fisheries and quotas. This summer, activities in both Norway and Mauretania have been low, markets that both are of great importance to the company. Increased activity is expected in the second half 2011, and we are pleased to learn that an increasing number of fish is expected to be used for food consumption rather than fish meal.

The Group's operations are also influenced by the development in Eastern Europe and Russia, traditionally being large takers of reefer tonnage, as well as of the development in the Mediterranean countries.

The container market is expected to take over a greater share of the market for transport of food. This trend has been seen over the latest years, and is expected to continue in such a way that the future niche market for reefer vessels will be decreased. Due to the reduction of capacity of reefer vessels during the last years, in combination with nearly no new buildings, the Board still believes that market improvement is to be anticipated in such a way that the remaining fleet can obtain reasonable results from its operations.

Statement of Responsibility

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first six months of 2011, which has been prepared in accordance with IAS 34 Interim Financial Statements, gives a true and fair view of the Company's consolidated assets, liabilities, financial position and result of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 forth paragraph.

Bergen, 24 of August 2011
Green Reefers ASA
The Board of Directors

Kristian Eidesvik

Aage Thoen

Birthe C. Lepsøe

Anne-Sofie Utne

Eivind Eidesvik

Contact: Toril Eidesvik (CEO), tel: +47 9007 8218
Øystein Disch Olsrød (CFO), tel: +47 9160 2226