

STAR Reefers

Q3 Report 2006

25 October 2006

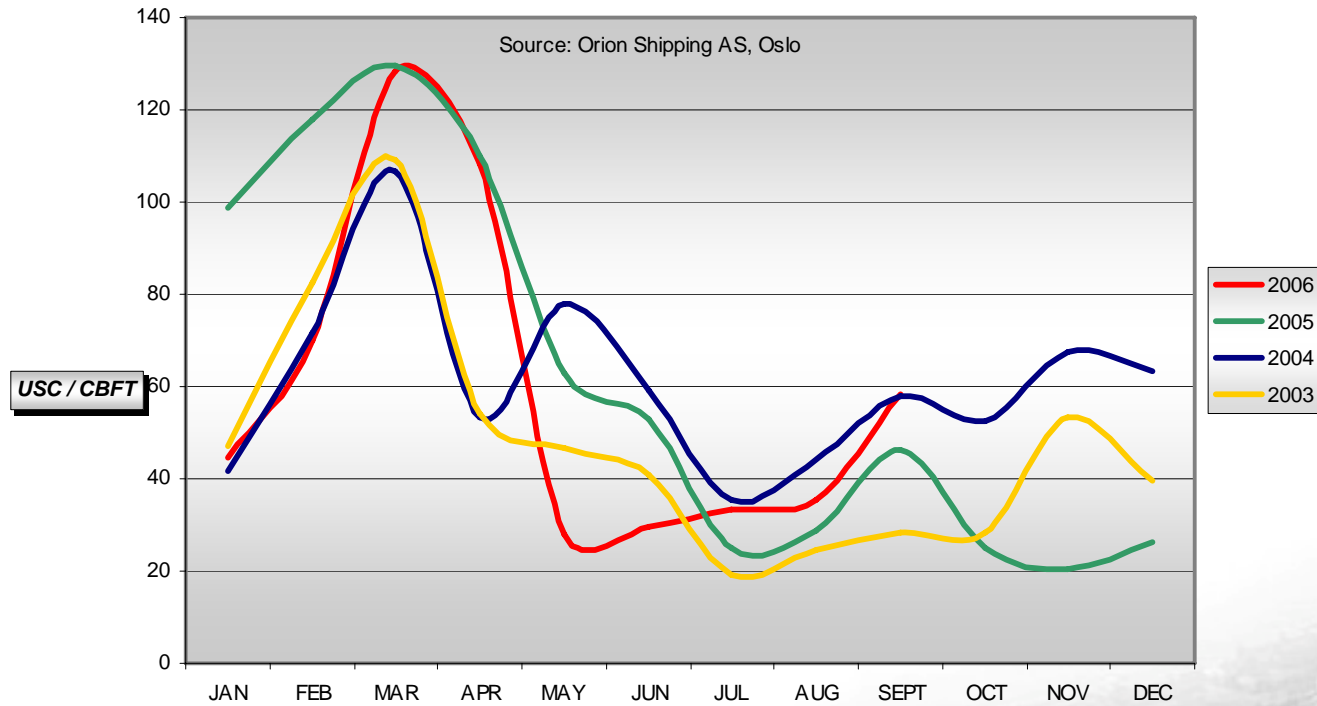


Recent Reefer Industry Developments

- ★ 12 month charters 2006 up 17% (modern), 0% (old) (Orion Shipping)
- ★ High season peak rates in 2006 at 150 cents
- ★ Spot rates up 30% in Q3
- ★ EU Banana Quota System replaced by tariff on 1 Jan 06
- ★ Tariff of EUR 176/tonne + 775 K duty free for ACP
- ★ Competition for quality 2nd hand tonnage continues
- ★ Scrapping: 3.9 million cbft. YTD 30 Sept 06 (2005: 3.5 million cbft.)
- ★ High bunker prices
- ★ Ships operating expenses continues to outpace inflation
- ★ Continuing competition from containers in South Africa and S America

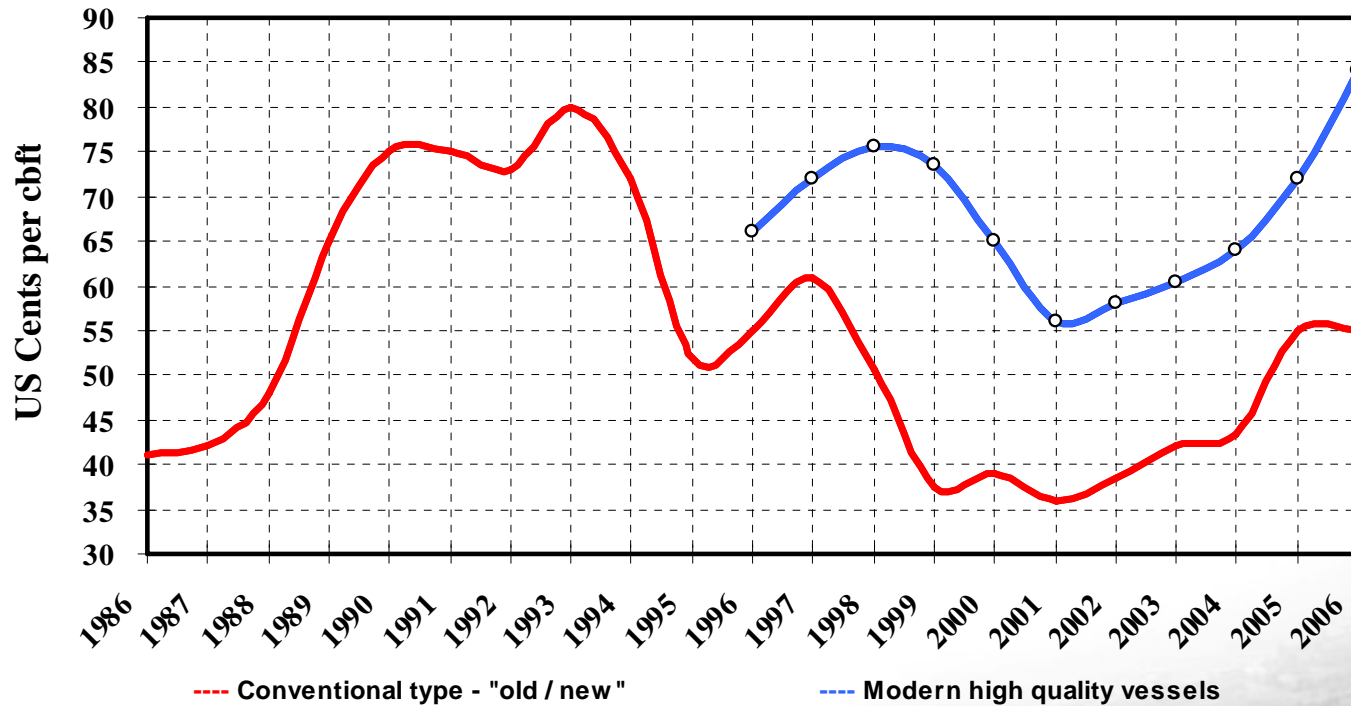
Spot Rates

Timecharter spot rates for larger vessels



Rates for larger vessels up 30% on Q3 2006

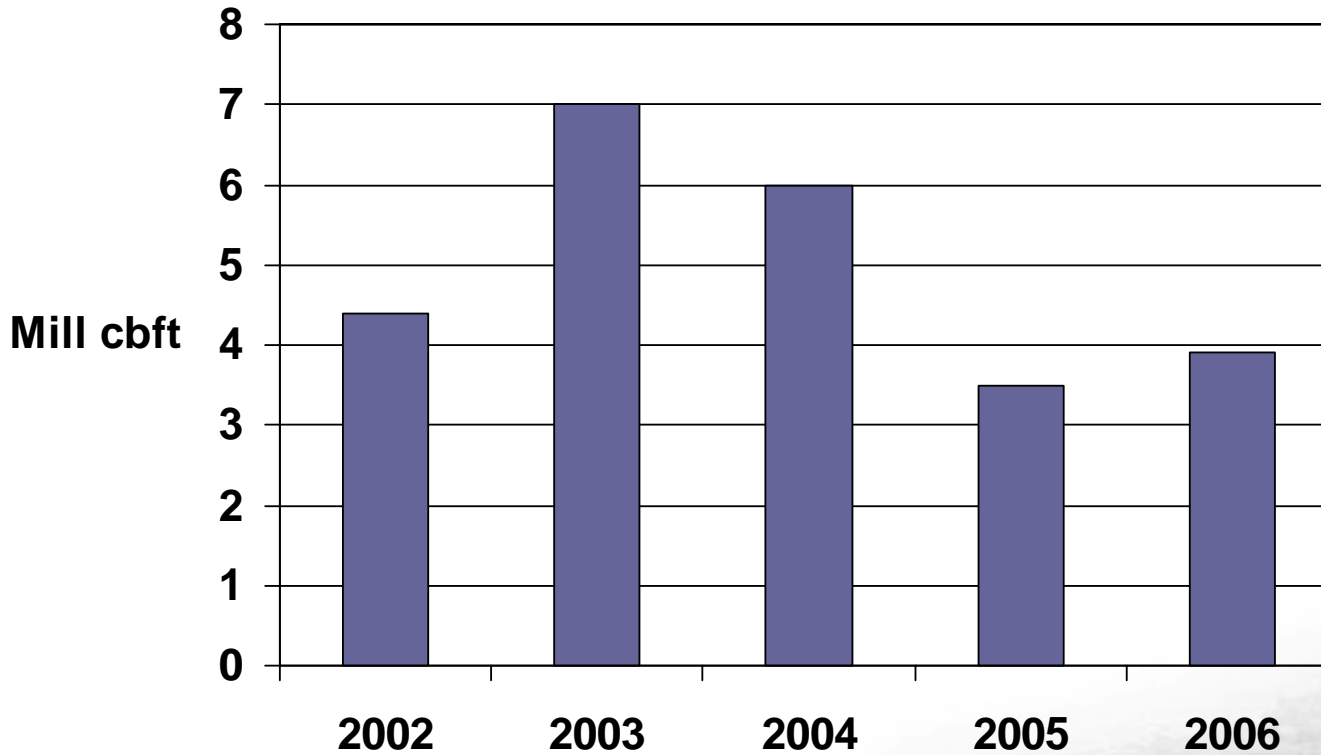
Average 12 Month Rates for Larger Vessels



Source: Orion Shipping

12 Month Rates 2006: up 17% modern vessels; 0% for older vessels

Scrapping

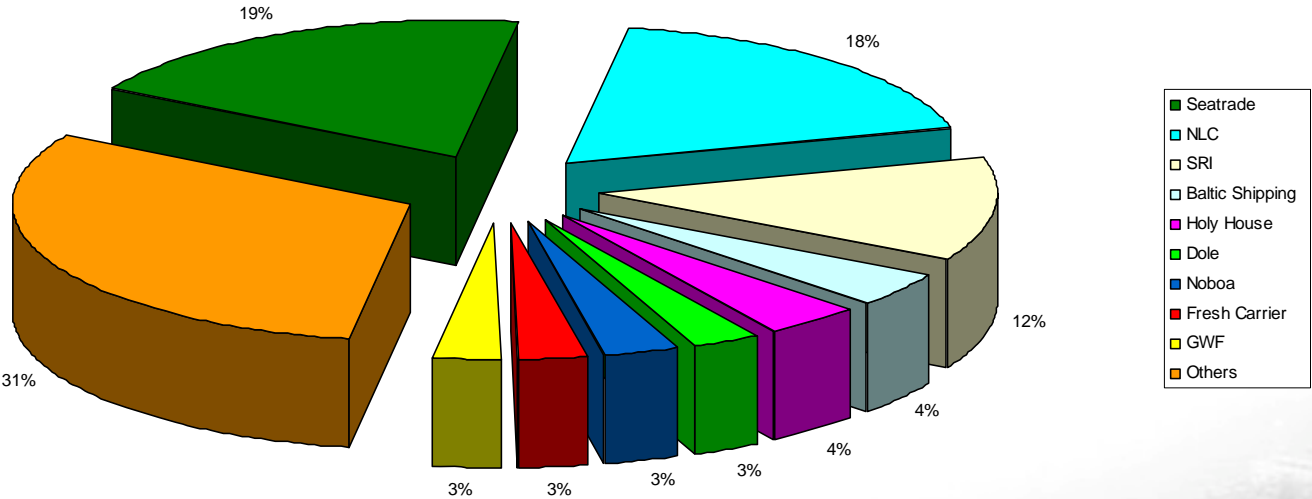


Source: Orion Shipping

**10 vessels representing 3.9 mill.cbft. scrapped YTD 2006,
due to age and higher bunker prices**

Breakdown of Reefer Fleet over 400,000 cbft.

REEFER FLEET EXCESS 400.000 CBFT - CBFT. DISTRIBUTION BY OWNERS/OPERATORS
 (Source: Orion Shipping AS)



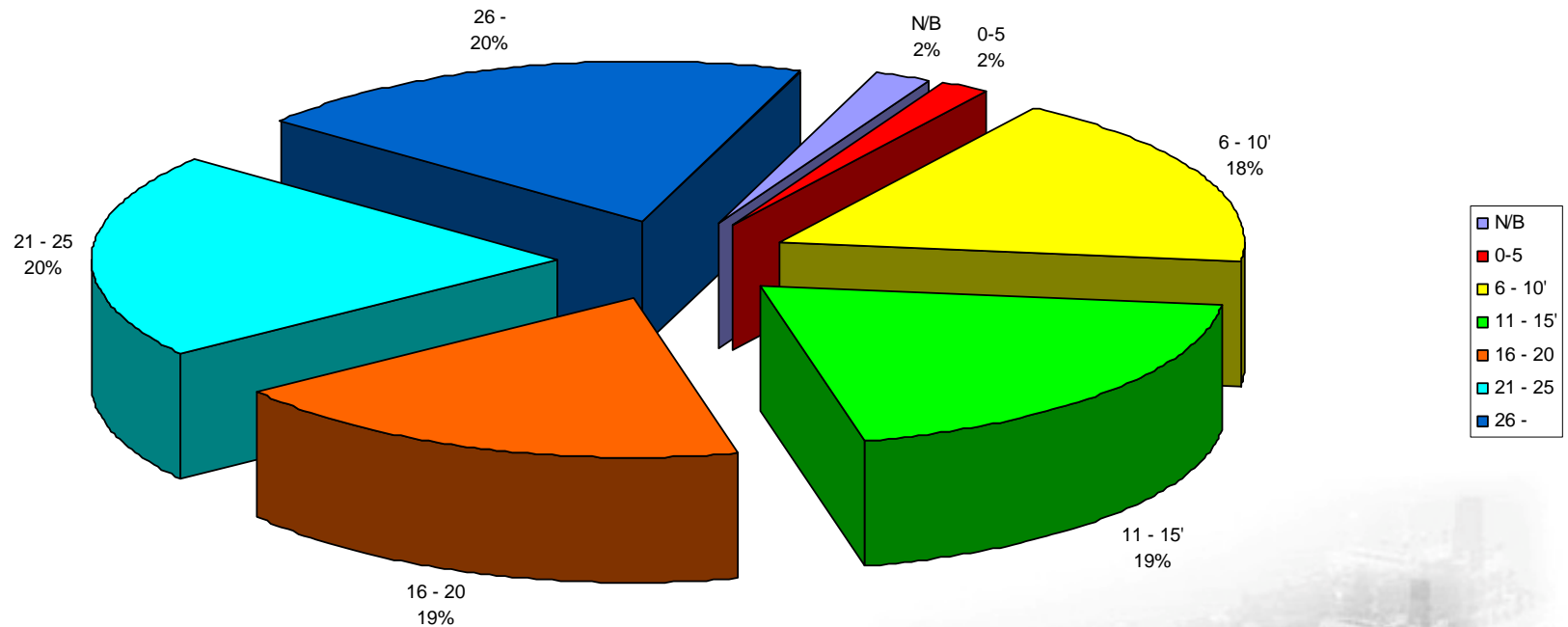
STAR controls 12% of fleet > 400.000 cbft.



Age Distribution Fleet over 400,000 cbft.

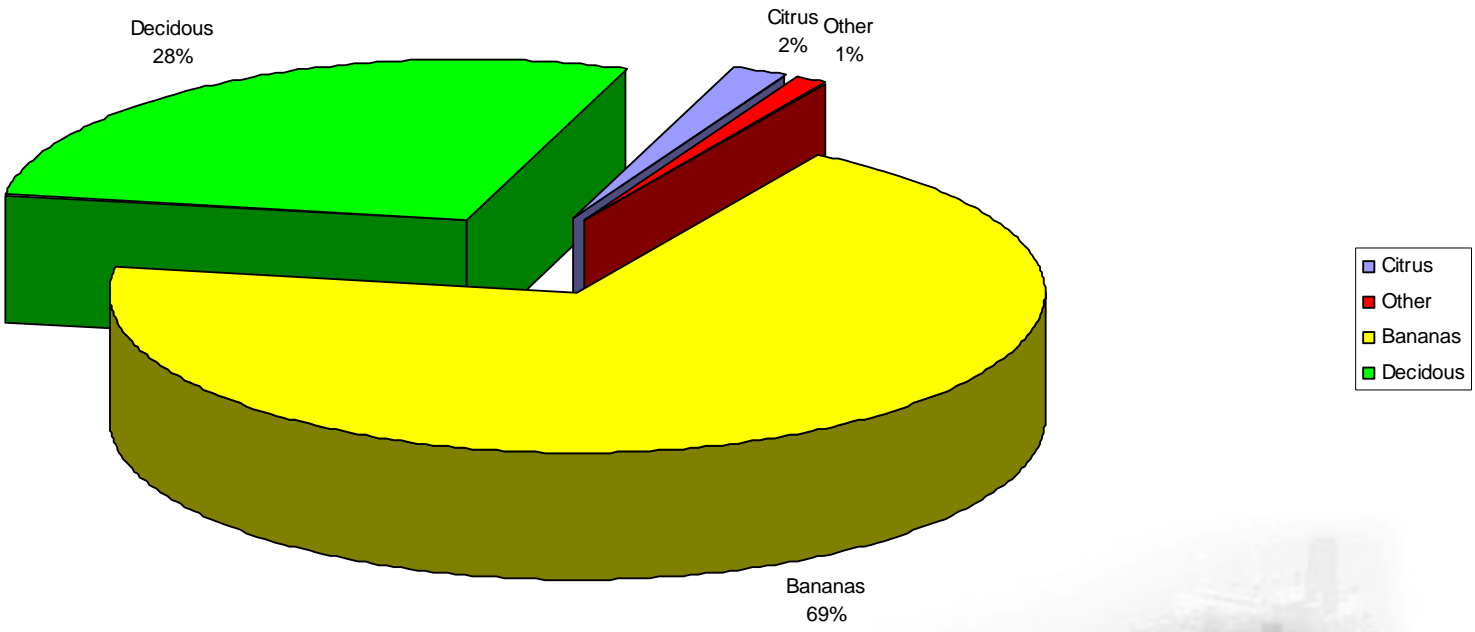
REEFER FLEET EXCESS 400.000 CBFT - AGE DISTRIBUTION BY CBFT

(Source: Orion Shipping AS 09.06)



Fleet > 400.000 cbft: 345 vessels and 173 mill. cbft

STAR Revenues 2006 by Goods Carried



Focus on bananas



STAR Reefers Highlights Q3 2006

- ★ Net income of USD 5.8 m (USD 4.2 mill.)
- ★ EPS Q3 2006 USD 0.66 (USD 0.48)
- ★ Average freight rates up 16%
- ★ "*STAR First*" operated successfully for 2 quarters
- ★ USD 12.4 m of debt repaid
- ★ Shareholder equity up 25% since Jan 06
- ★ Ships operating expenses up due to general increased expenses in industry and STAR's upgrading programme

Time Charter for Four Newbuildings

- ★ Vessels being built at Shikoku Yard in Japan
- ★ "STAR First" delivered 30 March 2006
- ★ "STAR Prima" launched and will be delivered in Q4 2006
- ★ 3rd & 4th newbuild vessels to be delivered 1st half 2007
- ★ Specialised reefers of 616,000 cbft
 - ★ High speed
 - ★ High container intake
 - ★ Low bunker consumption
- ★ 10 year duration of charters

STAR Reefers is committed to the reefer market long-term

STAR Core Fleet

	# of Ships	Capacity (mill cbft)	Average Age	Average Size 1 000 cbft
Owned	23	11.5	15	500
Bare Boat Charter (with purchase options)	7	3.8	14	538
Time Charter (incl. newbuilds) *	8	4.7	8	591
Total Fleet	38	20.0	13	526
Newbuildings (TC) delivery 2007	2	1.2	-1	616

* Delivery of "Star First" on 31 March 2006 and "Star Prima" in December 2006.

Profit & Loss Account

	Q3 2006	Q3 2005	30-Sep-06	30-Sep-05	2005
Net operating revenues	\$ 39.2	\$ 32.6	\$ 128.9	\$ 119.2	\$ 154.0
Ships operating expenses	-15.9	-11.1	-46.9	-31.6	-45.0
Time charter hire	-7.2	-11.0	-21.5	-38.9	-46.2
Administrative expenses	-2.1	-2.0	-6.8	-6.9	-9.3
EBITDAR	14.0	8.5	53.7	41.8	53.5
Bare boat charter hire	-2.8	-2.3	-8.4	-7.0	-9.7
Depr. and amortization	-3.4	-2.3	-10.1	-5.8	-9.0
Gain sale ships/subsidiary		1.7		1.7	2.0
Operating profit	7.8	5.6	35.2	30.7	36.8
Interest expense	-2.1	-1.2	-6.4	-2.8	-4.9
Other financial items		-0.2	0.6		-0.5
Taxes	-0.1		-0.2		-0.2
Net income	\$ 5.6	\$ 4.2	\$ 29.2	\$ 27.9	\$ 31.2
EPS	\$ 0.66	\$ 0.48	\$ 3.34	\$ 3.20	\$ 3.59

Balance Sheet

	<u>30-Sep-06</u>	<u>30-Sep-05</u>	<u>31-Dec-05</u>
Assets			
Vessels	\$ 263.5	\$ 275.2	\$ 273.5
Other fixed assets	1.9	3.4	3.0
Other current assets	21.4	38.4	17.4
Bank deposits	19.9	18.8	17.6
Total assets	\$ 306.7	\$ 335.8	\$ 311.6
Equity	\$ 149.9	\$ 116.9	\$ 120.3
Interest bearing debt	130.4	193.6	166.8
Short term liabilities	26.4	25.3	24.5
Total equity and liabilities	\$ 306.7	\$ 335.8	\$ 311.6
Equity ratio	49%	35%	39%
Equity per share	\$17.21	\$13.47	\$13.86

Star Reefers Shareholders

October 2006

	# of shares	% of shares
Siem Industries	6,272,534	72.0%
Caiano Ship + Caiano AS	482,650	5.5%
Odin	182,000	2.1%
KLP	170,850	2.0%
NSV Invest	113,000	1.3%
Handelsbanken Market	100,000	1.1%
Belleza Capital Group	70,000	0.8%
Other	1,323,285	15.2%
Total	8,714,319	100.0%

Share Price Star Reefers Past 12 Months

