Western Bulk Net Time Charter Margin Continues to Improve

Company Well Positioned to benefit from a Market Turnaround

By Barry Parker, Capital Link Shipping

New York, May 14, 2014. Western Bulk reported yesterday a higher Net Time Charter (TC) margin for its WB Chartering Division for the month of April 2014. The Net TC margin per ship per day was $1,644 for April 2014, $1,127 for March 2014 and $660 for February 2014. The average margin for Q1 2014 was $ 852.

The net TC margin is a key performance measurement for WB Chartering, Western Bulk's Chartering segment, which operates vessels chartered in from third parties. WB Chartering is an asset light and trading oriented margin business, matching cargo with vessels under all market conditions. This business has a highly sophisticated risk control system, much like the well-known commodity trading houses and is accompanied by extensive use of freight and oil derivatives for hedging purposes. The Net TC result for the division is a function of the size of the fleet operated and of the Net TC margin per vessel day-which indicates the average gross trading margin that WB Chartering is able to obtain from the vessels in its fleet.

Although numbers are still preliminary, until the interim financial report for Q2-14 is released, the chart below, as announced by Western Bulk, shows improved margins from Q1-14 and also from the previous month, March 2014.

WB Chartering	April '14 [2]	Accumulated so far this quarter(Q2-14) [2]	March '14	Q1-14
Net TC (USD million) [1]	8.2	8.2	6.2	13.7
# of vessels operated, average	165	165	177	178
Net TC Margin per ship day (USD)	1644	1644	1127	852

1) See Interim financial report, section 7, for definitions
2) Numbers are preliminary until the interim financial report for Q2-14 is released

Western Bulk

Jens Ismar
CEO
Western Bulk

As stated by the company, the number of vessels operated in April was 165 against an average of 153 vessels in 2013 and 177 in March 2014. At the beginning of Q2 2014, WB Chartering had a deliberate net long position with more vessels than cargoes for Q2-14 with cargo coverage for roughly half its fleet. Additional vessels and contracts are expected to be added during the quarter to reach the targeted average volume of 165-180 vessels for Q2-14. The Supramax rates continued to trend downwards during April and so far in May for the Atlantic area, while been relatively stable in the Pacific area. Savvy operating expertise enabled Western Bulk to improve the Net TC margin despite the challenging market.

On May 7, 2014, Western Bulk reported for the first quarter 2014, gross revenues of $342.5 million and profit after tax of $5.5 million, compared to gross revenues of $213.1 million and a loss after tax of $1.5 million for Q1 2013. At the end of Q1 2014, WB Chartering had increased its option book to a total of 37,000 optional days at what it feels are attractive rate levels, which positions the company to benefit if the rates start firming. The optional ship days are available at fixed rates and are spread over a period of several years, with 27% of optional days timed during the next five quarters. As reported by Western Bulk, the weighted average rate for optional days for the three remaining quarters of 2014 is just below $10,400 per day. For comparison, the average rate on Supramaxes, compiled by the Baltic Exchange, stood at nearly

$16,000/day during the market's run-up in December, 2013. In March, 2014, the measure averaged $12,100/day.

Optionality is an important element of Western Bulk's risk management and business approach. The top executives see upside potential in the Net TC margin if market rates start firming. On the other hand, the net long position against the market carries limited downside risk in case of a continued down market because exposure can be reduced. If the market is trending down and falls to levels below the rates for in-charters, vessels can be redelivered at the end of firm periods (rather than exercising likely "out of the money" in-charters for optional periods).

Jens Ismar, Western Bulk's CEO stated during the Q1 earnings call that the Indonesian export ban of bauxite and nickel were among the key factors that had a negative effect on the shipping markets. However, the Chinese are expected to resume imports of these two commodities as their stocks are running low. He estimated that volumes equivalent to about 1,500 voyages on an annualized basis were taken out of the market and should come back adding significant volumes to the Supramax trade. Western Bulk is the third largest operator of Supramax vessels in the world.

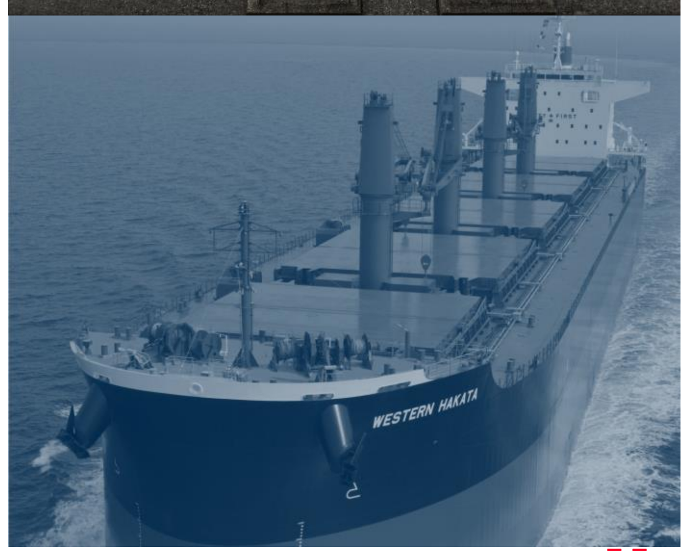
In a recent interview, Jens Ismar stated that several charterers are trying to cover for May, June and July, indicating that the volumes are there and charterers are trying to cover in anticipation of a rising market. He concluded "The general market's optimism seems to have shifted from Q2-14 to second half 2014, and we are cautiously optimistic on the market going forward."

About Western Bulk:

Western Bulk ASA, headquartered in Oslo, is a leading global operator of dry bulk vessels. Western Bulk's shares trade on the Oslo Stock Exchange under the ticker symbol "WBULK". For more information please visit www.westernbulk.com, or contact **Håvard Furu, CFO** at telephone +47 2313 3400 or email ir@westernbulk.com.

About Barry Parker:

Barry Parker is a financial writer and shipping markets/company analyst. His articles have appeared in a number of prominent maritime periodicals including Lloyds List, Fairplay, Seatrade, Maritime Professional and Capital Link Shipping. www.capitallinkshipping.com. Contact: +1-212-661-7566, bparker@capitallink.com



Western Bulk