



February 15, 2005

TO: Shareholder of  
Knightsbridge Tankers Limited

Enclosed is the Passive Foreign Investment Company annual information statement for the taxable year of Knightsbridge Tankers Limited ("Knightsbridge") beginning on January 1, 2004 and ending on December 31, 2004.

**Knightsbridge Tankers Limited**  
Investor Relations  
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**Knightsbridge Tankers Limited**  
Registered Office  
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14 Par-la-Ville Road  
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## PFIC Annual Information Statement

1. This Information Statement applies to the taxable year of Knightsbridge Tankers Limited ("Knightsbridge") beginning on January 1, 2004 and ending on December 31, 2004 (the "Taxable Year").
2. (i) Your pro rata share of the ordinary earnings of Knightsbridge for the Taxable Year may be determined as follows:
  - (a) If you owned the same number of Knightsbridge shares from January 1, 2004 through December 31, 2004, multiply the number of such Knightsbridge shares by \$4.599127.
  - (b) If you did not own Knightsbridge shares for the entire period beginning January 1, 2004 and ending December 31, 2004, multiply the number of shares you owned by \$4.599127, divide the result by 366, and multiply by the number of days during 2004 that you held such shares.<sup>1</sup>
  - (c) If you owned different numbers of Knightsbridge shares at different times during 2004, perform the calculation specified in (b) above separately for each lot of shares owned.
- (ii) Your pro rata share of the net capital gain of Knightsbridge for the Taxable Year is zero.
3. The amount of cash and the fair market value of other property distributed or deemed distributed by Knightsbridge during the Taxable Year is as follows:

Cash: See note<sup>2</sup>

Fair Market Value of Property: 0

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<sup>1</sup> For example, if you acquired 100 shares on July 1, 2004 and held them throughout the remainder of 2004, your pro rata share of Knightsbridge's ordinary earnings would be \$231.21 (i.e., 100 shares x \$4.599127 x 184/366).

<sup>2</sup> On February 10, 2004, Knightsbridge made a distribution of \$0.80 per share to shareholders of record on January 27, 2004. On June 7, 2004, Knightsbridge made a distribution of \$2.00 per share to shareholders of record on May 24, 2004. On August 27, 2004, Knightsbridge made a distribution of \$0.75 per share to shareholders of record on August 13, 2004. On November 29, 2004, Knightsbridge made a distribution of \$1.00 per share to shareholders of record on November 15, 2004. The total amount of these four distributions did not exceed Knightsbridge's earnings and profits for the Taxable Year. Accordingly, 100% of each distribution is a dividend.

4. Knightsbridge will permit you to inspect and copy Knightsbridge's permanent books of account, records, and such other documents as may be maintained by Knightsbridge to establish that Knightsbridge's ordinary earnings and net capital gain are computed in accordance with U.S. income tax principles and to verify these amounts and your pro rata shares thereof.

KNIGHTSBRIDGE TANKERS LIMITED

Date: February 15, 2005

By: /s/ Ola Lorentzon  
Name: Ola Lorentzon  
Title: Chairman

**THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THE OWNERSHIP OF COMMON SHARES ARISING IN THEIR OWN PARTICULAR SITUATIONS UNDER UNITED STATES FEDERAL, STATE, LOCAL OR FOREIGN LAW.**