

TORM reaches conditional standstill and framework agreement in principle

TORM is pleased to announce that it has reached a conditional agreement with the Coordination Committee of its bank groups regarding a deferral of installments and covenant standstill on its ship financing until 30 April 2012. The unconditional standstill is expected to be renewed within days. In addition, TORM has reached a conditional framework agreement in principle with the Coordination Committee and its major time charter partners regarding a long-term financing solution. It will, amongst other things, provide TORM with a working capital facility and substantial amortization and covenant relief under the existing credit facilities.

As mentioned earlier TORM has been in constructive dialogue with the time charter partners regarding the restructuring of its charter-in agreements. The conditional agreement with the major time charter partners will permanently amend the contracts and realign the charter-in rates to the current market level or allow for termination. The major time charter partners have agreed to realign rates to the current market level until 30 April 2012, whilst finalizing the conditional agreement.

The banks and the time charter partners will, if final agreements are concluded, in aggregate receive a significant equity stake in TORM A/S in exchange of the concessions made according to the long-term financing solution. Thus, it is expected that the new shares in TORM A/S will have a substantial dilutive effect on the existing shareholders. The exact consequences for the existing shareholders will be presented to them when the final agreements have been concluded. The conditional framework agreement is *inter alia* subject to negotiation of outstanding terms and conditional on final approval by all parties involved, including approval by the general meeting and subject to the Board of Directors' continued fiduciary duties.

Contact TORM A/S
N. E. Nielsen, Chairman, tel.: +45 4243 3343
Jacob Meldgaard, CEO, tel.: +45 3917 9200
Roland M. Andersen, CFO, tel.: +45 3917 9200

Tuborg Havnevej 18
DK-2900 Hellerup, Denmark
Tel.: +45 3917 9200 / Fax: +45 3917 9393
www.torm.com

About TORM
TORM is one of the world's leading carriers of refined oil products as well as a significant player in the dry bulk market. The Company runs a fleet of approximately 160 modern vessels in cooperation with other respected shipping companies sharing TORM's commitment to safety, environmental responsibility and customer service.

TORM was founded in 1889. The Company conducts business worldwide and is headquartered in Copenhagen, Denmark. TORM's shares are listed on NASDAQ OMX Copenhagen (ticker: TORM) and on NASDAQ in New York (ticker: TRMD). For further information, please visit www.torm.com.

Safe Harbor statements as to the future
Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and statements other than statements of historical facts. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although TORM believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, TORM cannot guarantee that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward- looking statements include the conclusion of definitive waiver documents with our lenders, the strength of the world economy and currencies, changes in charter hire rates and vessel values, changes in demand for "tonne miles" of oil carried by oil tankers, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in TORM's operating expenses, including bunker prices, dry-docking and insurance costs, changes in the regulation of shipping operations, including requirements for double hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by TORM with the US Securities and Exchange Commission, including the TORM Annual Report on Form 20-F and its reports on Form 6-K.

Forward-looking statements are based on management's current evaluation, and TORM is only under an obligation to update and change the listed expectations to the extent required by law.