To Shareholders of Knightsbridge Tankers Limited
Who Own Shares Listed on the Nasdaq Stock Exchange:

On March 11, 2005, Knightsbridge Tankers Limited (the "Company," "we" or "us") distributed cash to its shareholders who own shares listed on the Nasdaq Stock Exchange (the "Distribution"). Each shareholder of the Company received $1.75 in cash for each share of the Company which he owned.

This letter provides a summary of the principal United States federal income tax consequences of the Distribution. This summary does not purport to be a comprehensive description of all of the tax consequences arising from the Distribution and does not address all federal income tax consequences applicable to particular types of stockholders or stockholders with unusual individual circumstances. This summary applies only to our shareholders that are (1) citizens or residents, as defined in section 7701(b) of the Internal Revenue Code of 1986, as amended (the "Code"), of the United States, (2) corporations, or other entities that are taxable as corporations, created or organized under the laws of the United States or any state or political subdivision thereof (including the District of Columbia), (3) estates, the income of which is subject to United States federal income taxation regardless of its source, and (4) trusts, if a United States court can exercise primary supervision over the administration of such trust and one or more United States persons has the authority to control all substantial decisions of the trust (each, a "U.S. Holder").

You are directed to consult your own tax advisors regarding the particular federal, foreign, state and local tax consequences of the Distribution.

Taxation of the Distribution

Based on the amount of the Company's current and accumulated earnings and profits, $0.87 of the Distribution will be characterized as a taxable dividend for United States federal income tax purposes. The remaining $0.88 will be treated as a return of capital.

Treatment of U.S. Individual Holders

The amount of the Distribution characterized as a dividend to a U.S. Holder who is an individual, trust or estate (a "U.S. Individual Holder") will be treated as "qualified dividend income" taxable at a maximum rate of 15% to such holder if the U.S. Individual Holder has held his common shares in the Company on which the Distribution is made for more than 60 days during the 121-day period beginning 60 days before the common shares in the Company becomes ex-dividend with respect to the Distribution. If the holding period requirements are not met, the Distribution will be treated as ordinary income taxable at a maximum rate of 35%.

In addition, if the amount of the Distribution characterized as a dividend is treated as an "extraordinary dividend" with respect to a U.S. Individual Holder's shares in the Company (i.e., if the amount of the Distribution exceeds ten percent of the adjusted tax basis of the U.S. Individual Holder's Company common shares, or, in certain cases,

the fair market value of the Company's common shares) then any loss on the sale or exchange of a U.S. Individual Holder's Company common shares will be treated as long-term capital loss to the extent of such dividend.

The amount of the Distribution treated as return of capital is first applied against, and reduces, the adjusted basis of the U.S. Individual Holder's shares in the Company. Any excess amount is treated as a gain from the sale or exchange of property and would therefore be treated as capital gain if the Company's shares are capital assets in the hands of the U.S. Individual Holder.

As a result of a change in its activities during 2004, the Company generally is no longer treated as a passive foreign investment company, or "PFIC," for U.S. federal income tax purposes. If the Company were to be treated as a PFIC, a dividend, or portion thereof, may not be treated as "qualified dividend income."

Additionally, because the Company is no longer a PFIC, the Company no longer sends annual PFIC information statements to all of its shareholders. However, under the PFIC rules, if a shareholder had a QEF election in effect for part of, but not all of, the period that he held Knightsbridge shares, Knightsbridge may continue to be treated as a PFIC with respect to that shareholder and such a shareholder may be required to report his pro rata share of Knightsbridge's 2005 income under the QEF rules. Any shareholder who wishes to receive a PFIC information statement for 2005 should contact the Company or obtain the PFIC information statement for 2005 from our website at www.knightsbridgetankers.com.

Treatment of U.S. Corporate Holders

The amount of the Distribution characterized as a dividend will be treated as ordinary income taxable at a maximum rate of 35% to U.S. Holders which are corporations.

The amount of the Distribution treated as return of capital is first applied against, and reduces, the adjusted basis of the U.S. Corporate Holder's shares in the Company. Any excess amount is treated as a gain from the sale or exchange of property and would therefore be treated as capital gain if the Company's shares are capital assets in the hands of the U.S. Corporate Holder.

THIS SUMMARY IS BASED ON THE TAX LAWS OF THE UNITED STATES, INCLUDING THE CODE, TREASURY REGULATIONS (FINAL, TEMPORARY AND PROPOSED), ADMINISTRATIVE RULINGS AND PRACTICE, AND JUDIVIAL DECISIONS IN EFFECT AS OF THE DATE OF THIS INFORMATION STATEMENT, ALL OF WHICH ARE SUBJECT TO CHANGE, POSSIBLY WITH RETROACTIVE EFFECT. SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE PARTICULAR TAX

CONSEQUENCES OF THE DISTRIBUTION, INCLUDING, BUT NOT LIMITED TO, THE APPLICATION AND EFFECT OF ANY STATE, LOCAL FOREIGN AND OTHER TAX LAWS, AS WELL AS THE CONSEQUENCES OF ANY RECENT, PENDING OR PROPOSED CHANGES IN THE APPLICABLE LAWS.

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