Last Orders: Time Gentlemen Please
Will tanker supply overwhelm demand?

Gathering Storm Clouds
Is the tanker market in for heavy weather?

Cover Me — will insurance provide shelter from the storm

Gimme Shelter — Can offshore & dry conversions save the tanker market
“To deal with men is as fine an art as it is to deal with ships.”

Joseph Conrad
Weber Tanker Report

Charles R. Weber Company Inc. Tanker Report is published four times a year. It reviews important topics within the tanker shipping industry and tanker sectors that are of particular interest. It focuses on changes in tanker trading patterns and changes in fleet supply and demand.

Sources:

Executive Summary

Tankers 2007

Biofuels

Peak Oil

Market Drivers

Market Outlook

Cover Me

WeberCompass S&P Report

Contact Weber

Issue 06

November 2007

In this report

01: 02-06 - EXECUTIVE SUMMARY
02: 07-12 - TANKERS 2007
03: 13-13 - BIOFUELS
04: 14-14 - PEAK OIL
05: 15-16 - MARKET DRIVERS
06: 17-24 - MARKET OUTLOOK
07: 25-28 - COVER ME
08: 28-44 - WEBERCOMPASS S&P REPORT
09: 45-45 - CONTACT WEBER

Disclaimer

Whilst every care has been taken in the production of this study, no liability can be accepted for any loss incurred in any way whatsoever by any person who may seek to rely on the information contained herein. The information in this report may not be reproduced without the express written permission of the Charles R. Weber Company, Inc.

Copyright

Methodology and Scope of the Weber Tanker REPORT

The aim of the Weber tanker report is to provide participants in the tanker shipping industry with an overview into the latest developments in the tanker market and the oil industry that it serves, and also to shine a spotlight on the future prospects for these two markets.

Crude Oil Market

Subjects that are regularly covered are as follows:
- Crude oil supply/demand balances historical and forecast
- Crude oil prices – Brent and West Texas Intermediate
- OPEC announcements and quota changes
- US and Chinese crude oil import/export trade statistics
- Crude oil and product stocks
- Rig activity
- Refinery throughputs
- Monitor “Peak Oil” Debate
- Monitor Delivery Schedule and Investment plans for new crude oil capacity

Tanker Shipping Market

Subjects that are regularly covered are as follows:
- Tanker earnings trends historical and forecast
- Tanker spot fixtures
- Tanker investor activity in terms of new orders, secondhand sales and scrapping
- Tanker fleet supply changes historical and forecast
- Tanker fleet demand forecasts – taking into account the impact of tonmiles
- Listed tanker shipping company results and share performance

The publication also tries to illuminate the differences between developments in the different tanker sectors during the most recent period:
- VLCC (>=200,000Dwt)
- Suezmax (>=120,000, <200,000Dwt)
- Aframax (>=80,000Dwt, <120,000Dwt)
- Panamax (>=50,000Dwt, <80,000Dwt)
- Product (>=10,000, <50,000Dwt)
Executive Summary

2007 – Trouble Brewing

Now towards the end of the year, the tanker market’s problems seem to be stacking up. The oil price is threatening the $100bbl barrier, crude oil demand forecasts are weakening, and commentators are weighing up the prospects for a banking or an oil price led recession. On top of all that, the tanker orderbook looms large, and freight rates have yet to demonstrate any real seasonal bounce. Tanker owners looking for crumbs of comfort can at least point to a decent IEA world demand forecast of 2.4% growth in 2008 (although risks are on the downside), and the continuing strength of Chinese crude oil imports running at 14% yoy (as at September).

The year started with the tanker market in reasonable shape. The orderbook was of course becoming an increasingly dominant factor, but the oil price was relatively stable at around $60bbl indicating a measure of oil market balance, and the tanker market was enjoying the tail-end of an albeit moderate seasonal rate surge. However, with no major wild card events to change the mood, tanker rates have consistently trended down through the year. It can be argued that market expectations are too high and that tanker freight performance is still living in the shadow of 2004. After all, there was little fanfare for 2006 which was the third best year for tankers in the last decade behind 2004 and 2005. However, there is no escaping that 2007 has been a difficult year so far.

Several factors have contributed to the relatively poor performance of the tanker freight market. The acceleration in vessel deliveries is probably the most important factor. It is estimated that deliveries in 2007 will be 35MnDwt compared
with 25MnDwt in 2006. Worse still, supply-side pressure will intensify. Despite a slowdown in ordering levels, the tanker orderbook continues to swell - rising from 140MnDwt at the end of 2006 to 155MnDwt by September. This silent mountain is equivalent to a staggering 40% of the trading fleet – certainly enough to take the breath away. The pressure is so great that tanker scrapping has finally started to take-off, while tonnage is also being shed through "second-life" conversions to dry bulk trading, and for FSOs and FPSOs. Vessels exiting the market meant that the tanker fleet size actually fell in consecutive months from September.

OPEC has also been a factor in the tanker market's weakness, in what has been a very strange year for the organisation. Announcing (as it invariably does) that the market was "well supplied with oil", it chopped its quota from 28Mnbd in October 2006 to 25.8Mnbd in February 2007. Assuming the role of "swing producer" or perhaps more accurately "micro manager of the oil price", the organisation seemed determined to normalise the new high oil price era by keeping a lid on oil supply. With Non-OPEC production gradually falling back after a strong start to the year, the new quota has been so unrealistically low that OPEC has been producing around 1Mnbd over quota for most of the year. In some ways OPEC has been doing a good job for the world economy – not least in terms of allaying fears about spare production capacity, which has continued to rise through the year and is now at close to 3Mnbd. However, there is a sense that OPEC production has been lagging demand changes. In September, it finally agreed to revise its quota to 27.3Mnbd (formalising the close to 1Mnbd over quota production and adding an extra 0.5Mnbd), but this was not to be effective until November in the middle of the normal 4Q07 seasonal demand surge. This lagged approach has been a factor fuelling price rises in recent weeks.

Saudi Arabia has been among the prime non-responders in the OPEC cartel. Its production has averaged just 8.6Mnbd in 2007 ytd compared to 9.1Mnbd in 2006. Saudi Arabia has preferred to stand in the wings while the oil price has spiralled upward towards $100bbl; happy perhaps that rising prices have helped to offset the impact of the ever weakening US dollar on the buying power of its US dollar denominated commodity. Of course Saudi Arabia and the other OPEC members can point to mitigating factors to explain rising oil prices - the weak dollar, persistent fears about product stocks, the activities of speculators, and continuing fears about “Peak Oil”. However, while oil prices have been rising, crude oil demand estimates for 2007 have been falling from 1.8% in January to 1.5% in October, and tanker rates have remained depressed.

There is nothing like a wild card event to give tanker rates a helping hand. In 2004, China unexpectedly burst onto the scene adding 32MnTons to crude oil demand (boosting its imports by 35%). In 2005, hurricanes Katrina and Rita decimated US crude oil production (1-1.3Mnbd shut in) creating a vacuum that needed to be filled. However, despite fermenting problems in Russia, Iran and Nigeria, and the onset of the hurricane season (which hit Mexico hardest this year), no single event has had a significant impact on the shipping market in 2007. The good news for the market is that 2007 crude oil demand is predicted to be end loaded with 4Q07 requirement 2Mnbd higher than both 3Q07 and 4Q06. Therefore, watch for a significant bounce in tanker rates towards the end of the year. Any recovery will not disguise the tanker market's long term structural supply-side problems.
2007/8 – The Storm Begins

Tanker Deliveries will be the DominantTanker Market Driver for the Foreseeable Future

Scanning forward, you would be forgiven for thinking that the tanker orderbook looked ominously like the forbidding peak of a mountain or perhaps very black clouds on the horizon. Fleet growth has been running at around 6% per annum for the last 3 years, and this pace will be maintained despite initial signs that scrapping has started to accelerate (with 1H07 scrapping volumes almost matching total scarp- ing for 2006). Deliveries will reach 35MnDwt in 2007 which is the highest annual total since the 1970s. This delivery record is set to be smashed in each of the following two years (2008 = 40MnDwt, 2009 = 53MnDwt). Fleet growth will be mitigated by the significant number of VLCCs being lined up for conversion to VLOCs. Estimates suggest there may be as many as 30 such conversion candidates. The increasing number of vessels being siphoned off for “sec- ond-life” employment in the FSO and FPSO markets will also help to moderate growth.

“This is a relative sober outlook, but it should not be forgotten that wildcards can have a major part to play.”

Figure 2
“The Tanker Mountain will act as a Road Block to Tanker Freight Rate Gains”

Some commentators have glibly argued that a market that has grown by just 2.7% between 2004 and 2006 (in terms of crude oil demand) and has managed to absorb 12% fleet growth will, therefore, be able to absorb similar fleet growth if crude oil demand increases by 1.5% in 2007 (which is the IEA forecast).

However, this argument fails to take account of the fact that over the previous two years (1) tonmile demand growth (underpinned by soaring Chinese crude oil imports) has acted as an accelerator for tanker demand, (2) there have been other accelerators that added to the upward momentum of freight rates – e.g. Katrina in 2005, and (3) the tanker freight market has been slowly running out of steam partly as a result of the new tonnage entering the market.

With an unprecedented wave of tanker deliveries now sweeping in, the tanker market is entering very stormy waters. There will be an end year seasonal bounce in rates because much of the forecast growth in 2007 crude oil demand will be concentrated in the fourth quarter. However, the weight of deliveries will mean that average 2007 earnings will not be as good as those in 2006.

Into 2008, tanker freight rates will undoubtedly benefit from improving crude oil demand prospects (+2.4% according to the latest IEA forecast). Tonmile demand growth will continue to act as an accelerator to tanker demand growth underpinned by (1) continuing strong Chinese crude oil import growth, (2) Venezuela’s politically motivated efforts to re-orientate its exports away from short haul US trades routes to other trades, which will necessarily be longer haul, and (3) the emergence of hot product trades e.g. Japan to USWC as the market tries to cope with short term refinery bottlenecks.

However, average tanker earnings for 2008 will weaken. The rate of scrapping will play a significant part in whether there is a soft or hard landing in 2008. There are also significant risk factors to consider. For example crude oil demand risk is on the downside with world economic recession looking closer than for some time.

This is a relative sober outlook, but it should not be forgotten that wildcards can have a major part to play. It may well be that an active hurricane season, or perhaps an as yet unforeseen event will reroute the course that is being mapped out for 2008.
The extraordinary strength of tanker ordering in 2006 indicates that the tanker industry has taken a very big collective gamble. This leap of faith is based on an assessment that the ongoing era of rapid fleet growth will (1) trigger a tanker freight rate slump in the near-medium term, and (2) force the single hull tanker fleet to be removed sooner than expected, thus creating an opportunity for owners delivering in 2009 or later to bypass the crash and benefit from rising freight rates as supply/demand moves back into balance.

Having made what is effectively a collective investment decision, there are two key factors that will determine whether the tanker industry gamble is successful. The first key is at what point along the timeline the single hull tanker fleet (65MnDwt) exits the market. The second key factor underpinning the collective gamble is the requirement that tanker demand continues to rise in line with the trend for the last few years – and the prayer that a few wildcards are thrown in along the way – so that 2008-2010 doesn’t become a very messy affair indeed.

The majority of the single hull fleet is set to scrap in 2010 (although countries such as Japan, China and Singapore may still allow single hull tonnage to trade after 2010). However, the scale of the tanker orderbook means the pressure to scrap early or convert out is intensifying and this might lead to a more even removal progression over the next three years from 2008 to 2010. This exit pattern would be similar to that of the rump of the 1970s fleet which was gradually phased out over five years from 1999 to 2003. However, tanker owners flushed with cash after four good years will be reluctant to scrap too early even if rates weaken significantly. Owners that have embarked on extending the life of their single hull vessels by putting them through the Condition Assessment Scheme will be even more reluctant to scrap. It will take a prolonged period of low rates to encourage significant levels of scrapping ahead of schedule. There is evidence that the rate of scrapping has started to increase already. By July 2007, scrapping (3.5MnDwt) had already matched the annual total for 2006 – while a further 3MnDwt were scrapped in August and September.

Even if tanker scrapping/conversion levels picked up dramatically (and even factoring in scrapping for the 5MnDwt of non-single hull tonnage reaching 25 years of age during this period), with scheduled deliveries (129MnDwt) outnumbering probable scrapping by 2:1 during the period 2008-2010, there will be an inevitable continuation in the period of dramatic fleet growth that started in 2004. It is estimated that fleet growth will probably fit into the range 18-25MnDwt per annum over the next three years, which compares with average fleet growth of 20MnDwt per annum for the period 2004-2006.

The scrapping destiny of the pre-Exxon Valdez fleet remains an important safety valve for the tanker market. However, the relentless application of tanker supply pressure will undoubtedly batter tanker rates even if crude oil demand growth improves on 2006-2007 levels. The question is whether the tanker industry will be ready to pick up the pieces in 2010.
2007 – The Year So Far

Tanker Rates / Prices

Last year the tanker market enjoyed a counter seasonal 3Q06 rate surge. There has been no such lift off this year partly because of the weight of vessel deliveries and partly because crude oil demand growth in 2007 is forecast to be concentrated in 4Q07.

It has been anticipated that refinery bottlenecks will cause product sector rate spikes, but so far the product sector has roughly mirrored the crude sector in 2007.

Benefiting from a sustained surge in dry bulk orders, which has continued the pressure on berth availability started by the tanker ordering boom, tanker newbuilding prices jumped 10% in the first three quarters of 2007.

Tanker Supply

Tanker supply was relatively stable at around 300MnDwt during the early 2000s, but by 2003 the current phase of dramatic fleet growth was underway. It is estimated that fleet growth will reach 8% in 2007, which is above average.
growth rates for the period 2003-2006 (6%). The end year fleet is projected to get close to the 400MnDwt barrier.

Tanker deliveries have been historically high for the last five years averaging 27MnDwt, but a higher magnitude wave of deliveries has started to wash through the market with 35MnDwt hitting in 2007, followed by 40MnDwt in 2008, 53MnDwt in 2009, and 35MnDwt in 2010.

Tanker deletions were extremely low during 2004-6, but there are signs of an acceleration. By July 2007, scrapping (3.5MnDwt) had matched 2006 total scrapping. In order to get a complete picture of deletions, the increase in conversions should be factored in.

Investor Activity

Frenetic investor activity was the story of 2006 with the takeoff in tanker newbuilding investment fuelled by the general acceptance of what is destined to become a self fore-filling prophecy. It was argued that fleet supply was growing at a much faster rate than crude oil demand and that this would inevitably lead to a rate crash, which would hasten the demise of the rump of single hull tonnage before 2010 - the cut off year for most single hull vessels.

The self fore-filling part comes because the rate of ordering was already so great that newbuilding delivery dates were pushed out to 2009 and beyond. Owners conscious of the need to continue to renew their fleets (and flush with cash after 3 years of excellent tanker markets) recognised a new opportunity. Even though the orderbook was soaring, it was perceived that by ordering for delivery in 2009-2010 the timing would be perfect to coincide with the drop out of the remaining single hull fleet – a cunning plan described by Dr Martin Stopford as aiming to catch the next tanker “sweet spot”.

The pace of tanker ordering has slowed considerably in 2007. Having soared ballistically from 85MnDwt at the end of 2005 to 140MnDwt by the end of 2006, orders are down by two thirds in 2007. Nevertheless, the orderbook has continued to grow reaching 155MnDwt by September 2007.

South Korean shipyards dominate the tanker building league table, but 9 Chinese yards are in the top 25 with Dalian Shipbuilding having the largest tanker orderbook.
High vessel values have meant that tanker secondhand sales have remained relatively muted in 2007 with almost 200 sales in the year to date to Nov 2007. Interest has been spread across all ages.

Despite a subdued start to the year, world crude oil demand is forecast to reach 1.5% in 2007 according to the IEA and OPEC, which is up on 2006 (1%), but down on 2005 (1.7%), and on 2004 (4%).

Why no Price Led Recession

After softening towards the end of 2006, crude oil prices have followed a dramatic upward trajectory in 2007 and are now closing in on the $100bbl barrier. So far the IEA has made only a moderate downward adjustment to its overall forecast for crude oil demand growth in 2007, and there is still limited discussion of an oil price led recession – possibly because commentators are preoccupied with the possibility of a banking crisis led recession. Factors mitigating against an oil price led recession include:

1. Crude oil price increases have been mainly demand led (unlike in the earlier energy crises of 1973 and 1979) - fuelled by a buoyant world economy spearheaded by China. High demand is more fundamental to the current era of high prices than wild card events like Katrina, or OPEC’s micro-management of oil prices, or the activities of hedge funds, or fears about the security of crude oil supplies. However, the rate of crude oil demand growth is starting to weaken.

2. Crude oil prices have been artificially inflated by the weak dollar – the dollar is currently trading at a record low against the euro, and a 26 year low against the British pound. It should be noted that there is a debate as to the significance of the causal 2-way relations between the US dollar and the US dollar denominated oil price.
(3) Lower Fuel Tax = Anti Recession Safety Valve 1 - many (particularly European) developed countries have high fuel taxes that could be temporarily (or even permanently) suspended in the event of a dramatic price spike. Nevertheless, that loss of revenue would put a strain on government balance sheets.

(4) Substitution = Anti Recession Safety Valve 2 – energy use is much more complex than in early eras. Industrial and domestic consumers have more flexibility to switch to cheaper fuels. Like the option to lower fuel taxes, substitution gives the market confidence that is can defend against rising crude oil prices.

(5) Other – It has been argued that consumers appear numbed to high prices – although it is interesting to note that in the UK where 2006 was marked by fuel price protests, 2007 has been marked by discussion about the increased willingness of individuals to reduce their car dependence as a way of reducing monthly bills.

Crude Oil Production

After concerns about the security of crude oil supply (and availability of spare capacity), world crude oil production increased fairly consistently between October 2005 (83.5Mnbpd) and July 2006 (86.1Mnbpd) underpinned by increased OPEC and Non-OPEC production. Thereafter, falling crude oil prices precipitated an unofficial cut in OPEC production. OPEC production was cut back further in October 2006 with the announcement of a 1.7Mnbpd quota cut (1.2Mnbpd effective cut).

While OPEC production slowed in 2H06, Non-OPEC production remained strong across almost all regions but led by Russia.

During the first three quarters of 2007, Non-OPEC production, which started the year strongly, has gradually eased back with Norway one of the poorest performers. Meanwhile, OPEC production has bubbled along at a relatively low level.

With much of the demand gains for 2007 scheduled for the end of the year, it is important that OPEC and Non-OPEC countries start to increase production. OPEC has increased its effective quota by 0.5Mnbpd from November, but there is a feeling that OPEC’s response is lagging behind demand.
Crude Oil Exploration

Over the last three years, there have been concerted efforts to put as many rigs as possible into the water in order to find new reserves to bolster official crude oil spare production capacity figures. Following the mid year seasonal dip in activity, world rig activity is once again close to record levels. The US Gulf component of the world active rig count is non-seasonal and rig numbers are already at record high levels.

Crude Oil Stocks

Another feature of the current era dominated by fears about the fragility of crude oil supplies has been the build up of both government and industry crude/product stocks.

Crude Oil Prices

Last year, crude oil prices peaked in July at around $80/bbl. However, record world crude oil production and record stocks contributed to a recognition that fears about the fragility of crude oil supply were overstated and precipitated a steady decline in crude oil prices to below $60/bbl by end 3Q06. At this point, OPEC which had already started to cut back production declared its intention to defend a $60/bbl floor and announced a 1.7Mnbld quota cut (1.2Mnbld effective cut) in October 2006.

During 2007, oil prices have been on the rise again following an explosive trajectory towards $100/bbl. OPEC has provided an inadequate lagged response to rising world crude oil demand by delaying its official production quota rise until November. This lagged response has contributed to the rising oil price – a rise that has been exacerbated by the weak dollar, persistent fears about product stocks, and the activities of speculators.
Crude oil is not the only commodity to have seen sustained price rises in the last few years.

**China Crude Oil Imports**

China crude oil import growth continues to build on the initial 2004 surge. For the ytd (Sept 2007), imports are up 14%.

The strength of crude oil imports is just part of the story of China’s unrelenting growth story with total imports and exports running well ahead of last year’s levels.
Biofuels
Prospects for EU-27

From a Report by the USDA Foreign Agricultural Service
June 2007

On January 10, 2007, the European Commission proposed to introduce a binding 10% target for biofuels in transport fuel by 2020. This is part of a long term energy package which includes an overall binding 20% target for renewable energy. Under the earlier EU Biofuels directive, the indicative targets for 2006 have not yet been reached.

The EU biofuel industry has been developing very rapidly with biodiesel the most important component. Production of biodiesel in 2006 was 5.2MnTons, and is expected to reach 12.4MnTons in 2008. The production of bioethanol has also been increasing, from 1.4MnTons in 2006 to reach an expected level of 3.7MnTons in 2008.

Biodiesel trade - Biodiesel imports into the EU are subject to an ad valorem duty of 6.5%. However, there is no significant external trade, since the EU is by far the world’s biggest producer. Imports of biodiesel from non-EU countries are expected to increase four fold from 0.1MnTons in 2006, to 0.4MnTons in 2007, largely due to the existing B99 issue.

Bioethanol trade - Bioethanol is traded under several different tariff codes. Most external trade of bioethanol is in the form of denatured and undenatured alcohol. Such alcohols, if imported from developing countries, enjoy, in most cases, preferential treatment. From trade data, it is difficult to establish whether or not imported alcohol is used for fuel in the EU. Increasing quantities of bioethanol are imported as “bioethanol blended with petrol”. Bioethanol is also imported blended in ETBE. The main countries exporting bioethanol to the EU are Brazil, Egypt, Guatemala, Pakistan, Ukraine and the United States.

Export possibilities for the U.S - It is expected that the EU directive will consume production from 15% of the US utilized agricultural area on the assumption that 30% of biofuel production would be from second generation biofuel and 20% of the supply would be imported, according to an analysis from the European Commission.

According to the USDA Foreign Agricultural Service, prices on cereals and oilseeds are expected to increase due to the demand for feedstock. The largest price increase is expected for oilseeds, mainly sunflower seed.

<table>
<thead>
<tr>
<th>EU-27 Estimated Biodiesel Production Capacity (MT)</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>2,879,700</td>
<td>5,155,000</td>
<td>8,100,000</td>
<td>12,397,000</td>
</tr>
<tr>
<td>Imports</td>
<td>22,673</td>
<td>104,000</td>
<td>430,000</td>
<td>458,000</td>
</tr>
<tr>
<td>Consumption</td>
<td>3,033,714</td>
<td>5,442,000</td>
<td>6,901,000</td>
<td>11,539,000</td>
</tr>
<tr>
<td>Exports</td>
<td>67,059</td>
<td>5,000</td>
<td>33,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EU-27 Estimated Bioethanol Production Capacity (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>3,889,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EU-27 Bioethanol Situation (MT)</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>1,355,200</td>
<td>2,323,800</td>
<td>3,690,150</td>
</tr>
<tr>
<td>Imports (extra EU)</td>
<td>459,000</td>
<td>660,000</td>
<td>920,000</td>
</tr>
<tr>
<td>Consumption</td>
<td>1,245,520</td>
<td>1,963,300</td>
<td>4,291,000</td>
</tr>
<tr>
<td>Exports (extra EU)</td>
<td>101,174</td>
<td>185,300</td>
<td>215,600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EU-27 Estimated Bioethanol Production Capacity (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>1,625,620</td>
</tr>
</tbody>
</table>

Trade - Data on imports of biofuels into the European Union are difficult to obtain since there is no strictly defined HS code on either bioethanol or biodiesel. Moreover, the EU not only imports biofuels but it also imports feedstock to produce the biofuels.
Peak Oil
So Who is Concerned Now?

Peak Oil (PO) is the point in time when the extraction of oil from the earth reaches its highest point and then begins to decline. In recent years, there has been a growing obsession with this turning point and its implications for the erosion of the world’s energy reserves.

Widespread concern about Peak Oil emerged for the first time in 2004 when the onset of surging Chinese crude oil demand first exposed the lack of spare production capacity in the world. With further shocks from hurricanes Katrina and Rita, oil prices spiralled upwards (reaching a new high around $80Bbl in 8/06) and the oil industry came under tremendous pressure to prove that new production capacity coming on stream would ensure the security of the world’s crude oil supply. With oil prices starting to ease by the end of 2006, it seemed that the oil industry had proved its case with OPEC indicating that $60bbl was its new target level for oil prices.

Concern About Peak Oil Not Driving the Oil Price Surge in 2007

The world was in the dark about crude oil production prospects in 2006, but greater oil industry transparency means that in 2007 there is reasonable certainty about the rate of crude oil coming on stream, as well as greater certainty about the veracity of crude oil reserve estimates. There is also “generally” a more sanguine view about Peak Oil articulated by Cambridge Energy (CERA). Instead of a peak, CERA says, production is more likely to trace an "undulating plateau" that will last for a decade or more beyond 2030. During the later decades of the plateau period, unconventional production of heavy oil, gas-related liquids (condensate and natural gas liquids), gas-to-liquids (GTL), and coal-to-liquids (CTL) will supplement traditional liquids supply.

Despite the dissipation of Peak Oil hysteria, the era of high oil prices has not gone away with 2007 crude oil prices (with much less fanfare) virtually mirroring the 2006 price surge. The return of ultra high oil prices in 2007 has been the result of other factors rather than long term concerns about crude oil supply. In particular, the market has been surprised by the decline in Non-OPEC production during 1H07 caused in part by unexpectedly large falls in Norwegian and Canadian output, which have more than offset gains in Russia production. Structural problems relating to the shortage of refinery capacity have also undermined market confidence with refinery bottlenecks contributing to a sharp decline in OECD gasoline and fuel oil stocks during 1H07. OPEC production problems have also fuelled rising prices with continuing Nigerian domestic unrest shutting in 0.5Mnbld production, although overall OPEC production has increased during 1H07 to compensate for the decline in Non-OPEC output.

OPEC and Non-OPEC Spare Supply Capacity Continuing to Recover

The slump in spare world crude oil production capacity from almost 6Mnbld in 2002 to just over 1Mnbld in 2005 was one of key drivers behind the oil market scare that followed the surge in Chinese crude oil demand from 2004. Since then OPEC and other producers have intensified their efforts to increase their production capacity. According to OPEC’s own statistics, it added an extra 0.9Mnbld of capacity in 2006 and that 1Mnbld of further capacity will be added in each year up to 2010.

Slow Down in Exploration and Production Expenditure Growth – a Positive Sign

According to Lehman Bros (6/07) global E&P budgets will rise 13% to USD308Bn in 2007 (revised upwards from 9% 12/06), which is slower than growth in 2005 (+20%) and 2006 (+30%). This estimate was published in the semi-annual Lehman Bros E&P Spending Survey of some 350 public, private, and government-owned oil and gas companies. This investment slow down in part reflects the growing belief that the oil industry has responded to the challenges posed by surging world oil demand and is well on the way to replenishing and expanding its reserves.

The High Oil Price Environment has Encouraged the Development of Oil Shale and Oil Sands Reserves

Surging oil prices and the imperative to move away from the reliance on the Middle East as the world’s energy store have encouraged huge investment into the development of oil shale and oil sands reserves. These projects are extremely price sensitive, but potentially provide access to huge additional carbon fossil fuel reserves.

Greater Confidence in the Delivery Timescale for New Energy Technologies

Proactive government action has helped establish the idea that we are planning for the end of the age e.g. in the UK high there is political support to renewing nuclear power stations and building huge new wind farms on a sufficient scale to provide energy to millions. However, the Peak Oil debate has not gone away, negative news about crude oil reserves, or a return to a low crude oil price environment (making oil shale and other alternative energy projects unviable) would put the debate back on the map.
2007/8 – The Storm Begins
Potential Drivers for 2007/8

Calendar of World Events 2007/2008

<table>
<thead>
<tr>
<th>AUTUMN 2007</th>
<th>SPRING</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCTOBER</td>
<td>APRIL</td>
</tr>
<tr>
<td>Presidential election in Argentina</td>
<td>April is the Democrats target for withdrawal of US troops from Iraq, but blocked</td>
</tr>
<tr>
<td>Pakistan decides who follows Pervez Musharraf as President - or at least how a new president is to be chosen.</td>
<td>Biometric visas required to visit UK</td>
</tr>
<tr>
<td>NOVEMBER</td>
<td>MAY</td>
</tr>
<tr>
<td>The five-yearly congress of the Chinese Communist Party is held in Beijing.</td>
<td>Coastal Environment Conference (19th-21st) UK</td>
</tr>
<tr>
<td>More than 20 heads of state and government from the Asia-Pacific Economic Area meet in Sydney to discuss regional issues.</td>
<td>The G8 summit is held in Hokkaido Toyaka, Japan</td>
</tr>
<tr>
<td>The Atlantic hurricane season ends (30th November)</td>
<td>The Atlantic hurricane season starts (1st June)</td>
</tr>
<tr>
<td>DECEMBER</td>
<td>JUNE</td>
</tr>
<tr>
<td>Presidential elections in Kenya (if not sooner) and South Korea; parliamentary elections in Russia.</td>
<td>Posidonia 3rd–6th June</td>
</tr>
<tr>
<td>OPEC 146th Extraordinary Meeting 5th December) Abu Dhabi</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WINTER 2008</th>
<th>SUMMER</th>
</tr>
</thead>
<tbody>
<tr>
<td>JANUARY</td>
<td>JULY</td>
</tr>
<tr>
<td>Slovenia takes over the presidency of the EU from Portugal</td>
<td>France takes over the EU presidency</td>
</tr>
<tr>
<td>Japan takes over G8 presidency from Germany</td>
<td>AUGUST</td>
</tr>
<tr>
<td>Taiwanese parliamentary elections</td>
<td>Beijing Olympics 8-24</td>
</tr>
<tr>
<td>New passport restrictions for travel into the US to take effect</td>
<td>Democratic National Convention 25-28</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>SEPTEMBER</td>
</tr>
<tr>
<td>Chinese celebrate the Year of the Rat.</td>
<td>Republican National Convention 1-4</td>
</tr>
<tr>
<td>10 Years since Osama bin Laden issued his fatwa.</td>
<td>OPEC 148 Ordinary Meeting</td>
</tr>
</tbody>
</table>

Potential Wild Cards 2007/2008

Unlike 2004 and 2005, it is that case that 2007 has lacked wild card events and this has contributed to a period of very lacklustre tanker rates. For the remainder of 2007 and beyond, a cluster of potential wildcards hover at the track-side as they do every year. By definition, it is impossible to know which ones will run onto the pitch and interrupt play. However, the following list highlights a few of the potential market accelerators/decelerators that may feature, and whether they are likely to have a positive or negative impact on the shipping markets.

Wild cards usually have a positive impact on shipping rates. The exceptions tend to be those that threaten world economic stability. The uncertainty surrounding the US and world economy in 2007 comes into this category.
Shipping Likes a Crisis - but not a Financial Crisis

US Economy <> Credit Crunch (negative)
The world financial markets are still assessing the fallout from this mini shock. The fact that the US felt the need to cut interest rates points to the seriousness of the event for the world economy.

Oil Prices <> USD100bbl Barrier (negative)
Three quarters of the way through 2007, crude oil prices have spiralled to significant higher levels than in 2006. The world economy has so far been able to absorb a prolonged period of high oil prices, but it may be a different story if prices continue at such high levels.

Crude Oil Stocks <> the problem with statistics (negative)
Having climbed to record high levels in 2006, stocks have been more of a concern for the oil market in 2007 – specifically in relation to gasoline and fuel oil stocks. According to the IEA stock levels are continuing to give concern, but this is not widely appreciated because statistics for Europe and Japan are two months out of date. This is significant because the IEA suspects that OPEC often relies on the out of date statistics, and sometimes these can be used to justify not raising its production quotas. This could be bad news for the tanker market.

Non-OPEC Production Recovery <> and OPEC’s Response (positive/negative)
Non-OPEC production has been mixed in 2007. Having started the year strongly led by Russia, production has eased off with Norway one of the poorest performers. Nevertheless, Non-OPEC production is forecast to average 50.2Mnbd in 2007 up from 49.5Mnbd in 2006. However, the problems surrounding “peak-oil” persist and if Non-OPEC production cannot sustain growth, then the tanker industry will not necessarily be able to rely on OPEC to fill the breach.

Middle East <> Destabilisation (positive/negative)
Iran, Iraq, Israel/Palestine – At the start of 2006, there was some optimism about prospects in the Middle East. In 2007, the region is considered to be a morass, and world leaders are paradoxically perceived to be both short on options and incompetent. Although the level of violence in Iraq appears to be moderating, it is far too early to expect change for the better.

The Atlantic Hurricane Season (1st June-30th November) <> Disrupts Infrastructure (positive)
The 2005 hurricane season significantly disrupted US crude oil production and provided a positive impulse to tanker freight rates. Predicting the weather – in this case the next severe Atlantic hurricane – is an inexact science, but is being given increasing weight due to the power of the weather and acceptance that weather patterns are becoming more extreme as a result of global warming. Dr. William Gray’s team at Colorado State University (CSU) are pioneering hurricane forecasting. This team found it necessary to downgrade their estimate for the number and severity of the storms for the 2007 season. It should be noted that hurricanes are not necessarily a product of global warming. The CSU team link the intensity of hurricane activity to multi decade cycles. Dr. William Gary contends that we are in an active cycle and that “This active cycle is expected to continue for another decade or two at which time we should enter a quieter Atlantic major hurricane period like we experienced during the quarter-century periods of 1970-94 and 1901-25.”

Weather Patterns <> (positive/negative)
The 2006/7 winter was warmer than average. The tanker market is obviously hoping for a return to normal patterns in 2007/8.

Acceleration in scrapping/conversions <> Improves Supply/Demand Balance (positive)
Higher tanker delivery levels will put tanker rates under pressure and this will eventually trigger the premature scrapping of the rump of single hull tonnage before 2010 - the cut off year for most single hull vessels. This is a key wildcard to watch in 2007/2008.

Other Geopolitical Hotspots <> Destabilisation (positive/negative)
Generally disruption of oil output has a beneficial impact on tanker markets. Nigeria and Russia head the “watch list”. In Nigeria, the disruption of oil company operations by the local population appears to have entered a more intense and dangerous phase. Russia’s activities with regard to disrupting pipeline supplies of oil and gas to Europe have done nothing for political tensions in the region, but could well turn into a short term positive driver for the tanker market.

India Rapid Economic Growth <> Increased Crude Oil Imports (positive)
The proximity of India to the Middle East oil markets, and the prospect of pipelines being built mean that India is unlikely to make a significant impact to crude oil tonmile demand growth even it enters a rapid growth spurt. It may be that India’s contribution will come further down the road if it becomes a significant exporter of crude oil products.

Iranian VLCC Storage <> Removes Supply From the Market (positive)
This is probably not really a wildcard event as it happened in 2006 with Iran taking 15 ships on storage for an average of 40days per ship. However, it will be interesting to see if Iran extends or contracts this policy in 2007.
Tanker Market Outlook 2007/8

Outlook For Tanker Supply

Fleet growth has been running at around 6% per annum for the last 3 years, and this pace will be maintained despite initial signs that scrapping has started to accelerate (with 1H07 scrapping volumes almost matching total scrapping for 2006). Deliveries will reach 35MnDwt in 2007 which is the highest annual total since the 1970s. This delivery record is set to be smashed in each of the following two years (2008 = 40MnDwt, 2009 = 53MnDwt). Premature scrapping of single hull tankers (65MnDwt) before 2010 – the cut off year for most single hull vessels – will slow tanker supply growth significantly, but it would require a prolonged period of poor tanker rates to trigger significant early scrapping. Fleet growth will be mitigated by the significant number of VLCCs being lined up for conversion to VLOCs (30+ candidates), and the significant trend to convert tankers for the FSO and FPSO markets.

Outlook For Tanker Freight Rates

Some commentators have glibly argued that a market that has grown by just 2.7% between 2004 and 2006 (in terms of crude oil demand) and has managed to absorb 12% fleet growth will, therefore, be able to absorb similar fleet growth if crude oil demand increases by 1.5% in 2007 (which is the IEA forecast).

However, this argument fails to take account of the fact that over the previous two years (1) tonmile demand growth (underpinned by soaring Chinese crude oil imports) has acted as an accelerator for tanker demand, (2) there have been other accelerators that added to the upward momentum of freight rates – e.g. Katrina in 2005, and (3) the tanker freight market has been slowly running out of steam partly as a result of the new tonnage entering the market.

With an unprecedented wave of tanker deliveries now sweeping in, the tanker market is entering very stormy waters. There will be an end year seasonal bounce in rates because much of the forecast growth in 2007 crude oil demand will be concentrated in the fourth quarter. However, the weight of deliveries will mean that average 2007 earnings will not be as good as those in 2006.

Into 2008, tanker freight rates will undoubtedly benefit from improving crude oil demand prospects (+2.4% according to the latest IEA forecast). Tonmile demand growth will continue to act as an accelerator to tanker demand growth underpinned by (1) continuing strong Chinese crude oil import growth, (2) Venezuela’s politically motivated efforts to re-orientate its exports away from short haul US trades routes to other trades, which will necessarily be longer haul, and (3) the emergence of hot product trades e.g. Japan to USWC as the market tries to cope with short term refinery bottlenecks.

However, average tanker earnings for 2008 will weaken. The rate of scrapping will play a significant part in whether there is a soft or hard landing in 2008. There are also significant risk factors to consider. For example crude oil demand risk is on the downside with world economic recession looking closer than for some time.

This is a relative sober outlook, but it should not be forgotten that wildcards can have a major part to play. It may well be that an active hurricane season, or perhaps an as yet unforeseen event will reroute the course that is being mapped out for 2008.
China can no longer be considered a wild card. Over the last few years, it has become the engine room of the world’s economy, and continued rapid growth is an “expected” condition factored into forecasts for 2007 and 2008 especially with China pulling out all the stops to ensure that the Beijing Olympics are a massive success.

China’s growth forecasts remain strong, and in 2008 it is set to overtake Germany to become the world’s third largest economy. However, China is also moving up less glorious league tables. According to the IEA, it is set to overtake the US as the largest producer of the main gas linked to global warming by 2009, nearly a decade ahead of previous predictions. China is also battling against economic “overheating” caused by rising inflationary pressures (as it tries to make growth less dependent on exports and investment while introducing measures to boost domestic consumption). In July 2007, the National People’s Congress’ Financial and Economic Affairs Committee warned of rising prices in the food and housing sectors and indicated that the government would further “moderately tighten” monetary policy to control excess liquidity and spending growth – having already increased interest rates twice this year.

However, despite the problems of reigning in over investment and the Beijing smog, it doesn’t look like anything will get in the way of the Chinese Olympics juggernaut.

**Chinese Crude Oil and Product Import Ports**

Crude oil imports are up 14% ytd (as of Sept 2007). By contrast, Product imports are down 10% ytd.

Ningbo is by far the largest conduit for crude imports (26MnTons ytd as at 7/07). The second largest port is Qingdao (13MnTons ytd). The largest products import port is Qingdao (6MnTons ytd) followed by Huangpu (4MnTons ytd).

Crude oil imports via Ningbo (-2.6% yoy) and Qingdao (-8.4% yoy) have underperformed 2006 levels. However, most other ports have performed strongly e.g. Hangzhou (+68% yoy), which is the third largest import port. Train and pipeline imports also grew strongly in 2007.

Part of the growth in crude oil imports has been fuelled by the stocking of the new national strategic oil reserve, which is centred around six coastal facilities.

The sustainability of crude oil and product import growth is brought into question when it is considered that crude oil prices have been increasing for much of 2007.
2007-2010 – The Collective Gamble

The New Holy Grail

The shipping industry waited for more than 20 years for the burden of over ordering in the 1970s to be lifted. The issue of when the fleet would succumb became the stuff of nightmares for shipowners attempting to work out the perfect timing for investing in fleet renewal. In the end, the rump of 1970s tonnage was finally extracted through a sustained scrapping phase between 1999 and 2003 when an average of 16.6MnDwt per year was removed.

Following the Exxon Valdez incident in 1989, the industry was presented with another (parallel) burden as safety concerns pushed it into the world’s spotlight as a pariah industry – the airline industry of its day. A series of high profile tanker disasters through the 1990s kept tanker shipping in the headlines for the wrong reasons, and led to a series of safety measures including a schedule for the accelerated phase-out of single hull tonnage.

Parachuting In For Perfect Timing

However, the theory (that became accepted) was that by the start of 2006 the rate of fleet growth was so fast that the pressure point for supply would come earlier than 2010 and that falling rates would force single hull tonnage out of the fleet earlier than expected. If the pressure point was to come forward, then 2007-2009 looked like years to reduce not increase exposure to the tanker market. For owners contemplating newbuilding, it seemed that the best option was to delay delivery until 2009 or later – and with world orderbooks for all types of shipping filling up, early berths were no longer available anyway.

The decision framework initially looked fairly straightforward because the timetable for scrapping single hull tonnage is set out with very little scope for timeline creep – at least not into the future. It is estimated that there is around 65MnDwt of single hull tonnage (25 years of age or younger) to be deleted from the market. The timetable states that the most significant block of single hull tonnage from this group is due to go out in just one year - 2010 (60MnDwt). There is an additional 10MnDwt of single hull tonnage that is still trading at over 25 years of age.

Figure 9

Comparison Tanker and Dry Bulk Losses 1972-2002

Although, tanker shipping has been fairly successful in redefining itself in the public perception as a safety conscious industry, as illustrated by the increased presence of tanker companies in the stock markets, the subject of single hull tonnage phase-out remains headline news within the industry as shipowners have once again being trying to work out the perfect timing for investing in fleet renewal.

The pivotal moment in this process of resolving the perfect timing came in 2006 when the industry seemed to make a collective decision to order new tonnage en masse, rather like in did in the early 1970s, having collectively built for itself what may well become a self for filling prophecy. The
weight of ordering was so great that the orderbook shot up by 69% to 140MnDwt by the end of 2006, and despite a slowdown in orders at the start of 2007 the orderbook has continued to expand to 155MnDwt by September 2007. The heaviest delivery year is set for 2009 (53MnDwt), compared to 2007 (35MnDwt) and 2008 (40MnDwt) and 2010 (36MnDwt). Owners of 2009+ delivered tonnage are hoping to miss the next tanker rate slump and parachute into a rising market on the other side – the new Holy Grail.

Having made what is effectively a collective investment decision, there are two key factors that will determine whether the tanker industry gamble is successful. The first key is at what point along the timeline the single hull tanker fleet (65MnDwt) exits the market. The second key factor underpinning the collective gamble is the requirement that tanker demand continues to rise in line with the trend for the last few years – and the prayer that a few wildcards are thrown in along the way – so that 2008-2010 doesn’t become a very messy affair indeed.

The majority of the single hull fleet is set to scrap in 2010 (although countries such as Japan, China and Singapore may still allow single hull tonnage to trade after 2010). However, the scale of the tanker orderbook means the pressure to scrap early/convert is intensifying and this might lead to a more even removal progression over the next three years from 2008 to 2010. This exit pattern would be similar to that of the rump of the 1970s fleet which was gradually phased out over five year from 1999 to 2003. However, tanker owners flushed with cash after four good years will be reluctant to scrap too early even if rates weaken significantly. Owners that have embarked on extending the life of their single hull vessels by putting them through the Condition Assessment Scheme will be even more reluctant to scrap. It will take a prolonged period of low rates to encourage significant levels of scrapping ahead of schedule. There is evidence that the rate of scrapping has started to increase already. By July 2007, scrapping (3.5MnDwt) had already matched the annual total for 2006.

Even if tanker scrapping/conversion levels picked up dramatically (and even factoring in scrapping for the 5MnDwt of non-single hull tonnage reaching 25 years of age during this period), with scheduled deliveries (129MnDwt) outnumbering probable scrapping by 2:1 during the period 2008-2010, there will be an inevitable continuation in the period of dramatic fleet growth that started in 2004. It is estimated that fleet growth will probably fit into the range 18-25MnDwt per annum over the next three years, which compares with average fleet growth of 20MnDwt per annum for the period 2004-2006.

The scrapping destiny of the pre-Exxon Valdez fleet remains an important safety valve for the tanker market. However, the relentless application of tanker supply pressure will undoubtedly batter tanker rates even if crude oil demand growth improves on 2006-2007 levels. The question is whether the tanker industry will be ready to pick up the pieces when 2010 comes around.
A Very Different Seascape

Just a few words here about what the operating landscape might be like in 2010 when tanker owners are hoping for the onset of a period of rising tanker freight rates. Although 2010 is not that far away, intervening political and environmental events may conceivably transform the market place for tanker shipping by the time we get there.

The best scenario for tanker shipping would be a general acceptance of the Cambridge Energy (CERA) theory that we can look forward to a prolonged period of plentiful oil supplies. This would encourage the status quo in terms of the distribution of energy inputs and delay the emergence of green energy technologies and perhaps encourage tanker owners to look forward to the next tanker renewal phase.

This scenario could be upset by initiatives like that signed by the US, China, India, Japan, and South Korea in December 2006 to work together to boost energy efficiency, to diversify their sources of energy, and to guard against emergencies in the face of rising oil prices, which may lead to more concerted efforts to increase the dependence on green energy and less reliance on the Middle East and crude oil – although greener crude oil technologies will rise up the agenda too.

However, with populous countries like China and India still at relatively earlier phases in their respective economic developments, it is inevitable that their energy requirements will continue to rise and rise – and traditional fuel types will be required to meet a major part of this increased demand. The tanker industry is also likely to benefit in the event of a resurgence of fears about the security of the world's crude oil supply as this will probably lead to an increase in short-term crude oil demand as end users seek reassurance that the oil industry is capable of delivering more supplies. It is possible that supply security fears will follow a repeat cycle over the next several decades.

In reality the world will take decades to overcome its dependence on oil. Nevertheless, the tanker industry should not be complacent. Further negative news about the environment may lead to any number of different negative outcomes for the tanker industry. It is possible for example, that the philosophical divide between Kyoto and Non-Kyoto countries may translate into a more concrete divide with the tanker industry more popular on the non-green side of the fence. It may be that tanker shipping comes to be considered as a “dirty” industry as in the 1990s, or like the airline industry today – and this would potentially lead to a reversal of fortunes for the shipping industry in the equity markets, with the number of quoted companies contracting.

However, only in the event of catastrophic environmental news will the tanker shipping industry hit the buffers. If CERA are right about a continuing era of crude oil supply, then crude oil demand growth will be part of the tanker owner’s operating landscape for many years to come. Further it is much more likely that as the world evolves towards a different profile of energy use so shipping will evolve along with it. Shipping will be part of the solution to environmental concerns with safer, more efficient ships and it will also benefit from the green revolution – already the biofuel trade has emerged as an important new growth trade for tanker shipping.

“Even if tanker scrapping levels picked up dramatically, with scheduled deliveries (129MnDwt) outnumbering probable scrapping by 2:1 during the period 2008-2010, there will be an inevitable continuation in the period of dramatic fleet growth that started in 2004.”
The Tanker Sector & the Stock Market

Listed Tanker Company Performance in 2007 to September

Measured in terms of change in share price, the 24 listed pure tanker companies have experienced mixed performances so far in 2007. The table below shows there have been share price gains for just over half of the companies (based on ytd data as of 23.8.07). Against a background of deteriorating freight rates and accelerating vessel deliveries, it is perhaps surprising that share performance levels are so good. However, tanker owners have worked hard to retain the loyalty of their shareholders in part through consistent dividend policies, share buy back policies (design to support share prices) and also through greater emphasis on getting their individual strategies across. The resilience of net profit levels (underpinned in part by high levels of timecharter employment) has also helped support share prices. It is estimated that although net profit for 2007 is 62% down compared with 2004 (boom year), this is actually slightly better than in 2006 (61% down).

Figure 11 The table of listed tanker companies is based on data as of 23.08.07. The list excludes tanker owning companies that have significant interests in one or more other shipping sectors. Column 7 records the percentage of the company’s owned fleet that it is on TC or COA as opposed to the Spot market. It should be noted that ranking companies in terms of changes to share price is a fairly crude method of comparison. It is also only one of a whole raft of ways of ranking company performance. For example Total Return to Shareholders is a more comprehensive method of determining shareholder value as it takes into account dividends as well as change in share price. Profit Margin, Return on Equity and Asset Turnover are some of the other measures available.

The table includes information about fleet average age and double hull percentage for each owner, and details about the percentage of the fleet with period employment along-side average duration of period cover. From this information, it is clear that the dominant strategy among tanker owners is to operate a young double hull fleet with high percentage of period cover. From this information, it is clear that the dominant strategy among tanker owners is to operate a young double hull fleet with high period cover. The emphasis on youth reflects not only the increasing importance of safety within the shipping industry, but also the exaggerated importance of appearances for listed companies appealing to environmentally aware/accident averse investors. The emphasis on period cover reflects concerns about the risk of a supply driven tanker market crash before 2010 – the IMO’s drop dead removal year for single hull tankers.

Nordic America Tanker Shipping (Nats) is one company that has chosen to operate outside the confines of the identikit tanker company strategy. While other companies seek the security of period employment, Concordia continues to embrace the spot market. It contends that it is better placed than other tanker
companies to survive a downturn because the volatility of 
the spot market provides the greatest earning potential, and 
the company's low liabilities/assets ratio (L/A = 24%) means 
it has the financial strength to survive a prolonged downturn 
and also be ready to pick up assets from distressed com-
petitors. Nats' share price has remained virtually unchanged 
over the last year, which might suggest that its strategy is 
turning as many investors on as off.

In terms of employment strategy, Concordia could be con-
sidered to be towards the opposite end of the spectrum to 
Nats with 100% period coverage and average coverage 
duration well beyond 2010. Like Nats, it has a very strong 
and consistent spot rate performance. However, Concordia's 
period based approach has so far been less well received than Nats' spot based approach with its share price falling 13% over the last year. Factors 
that may have contributed to Concordia's poor share per-
formance include its relatively small market capitalisation 
(USD257Mn), although Concordia argues it punches above 
its weight because it is part of the Stena sphere of compa-
nies.

Tsakos Energy Navigation (TEN) and Omega Navigation 
are two companies whose share prices have performed 
very strongly over the last year. TEN is a large company 
(USD1.3Bn) while Omega is much smaller (USD0.3Bn), but 
they have a number of characteristics in common. Both 
owners operate very young fleets, and have significant 
orderbooks that guarantee built in growth. Both have high 
period coverage, and reasonable period coverage duration 
at around 2 years. Both appear to have reasonable financial 
strength with liability/asset ratios of around 60%. Perhaps 
significantly both companies also have good exposure to 
the Product sector.

The combined index of share prices for the 24 tanker com-
panies increased by 1.2% over the last 12 months. This is 
the worst performance of any of the shipping sectors.

**Shipping Sector Share Price Performance during the last 12 months**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Sector</th>
<th>No. of Companies</th>
<th>% Chg Yoy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General Cargo</td>
<td>5</td>
<td>266.3%</td>
</tr>
<tr>
<td>2</td>
<td>Dry Bulk</td>
<td>25</td>
<td>187.6%</td>
</tr>
<tr>
<td>3</td>
<td>Shipyard</td>
<td>15</td>
<td>111.5%</td>
</tr>
<tr>
<td>4</td>
<td>Multi Fleet</td>
<td>35</td>
<td>93.0%</td>
</tr>
<tr>
<td>5</td>
<td>Container</td>
<td>15</td>
<td>92.2%</td>
</tr>
<tr>
<td>6</td>
<td>Offshore</td>
<td>4</td>
<td>41.3%</td>
</tr>
<tr>
<td>7</td>
<td>Pass/Roro/Ferry</td>
<td>9</td>
<td>35.3%</td>
</tr>
<tr>
<td>8</td>
<td>Offshore Support</td>
<td>8</td>
<td>22.3%</td>
</tr>
<tr>
<td>9</td>
<td>Chemical</td>
<td>3</td>
<td>18.3%</td>
</tr>
<tr>
<td>10</td>
<td>Cruise</td>
<td>3</td>
<td>14.5%</td>
</tr>
<tr>
<td>11</td>
<td>Gas</td>
<td>7</td>
<td>1.7%</td>
</tr>
<tr>
<td>12</td>
<td>Tanker</td>
<td>24</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

**Companies Watch List**

The threat of a freight rate slump will continue to dominate 
the tanker market for the foreseeable future. Consequently, 
it will be interesting to observe how companies continue to 
position themselves for such an eventuality. Even though 
tanker companies are continuing to talk about expansion, it 
is expected that investment levels may be limited particular-
ly in the newbuilding sector. Further company acquisitions 
are a possibility for companies with strong balance sheets 
who are looking to target companies with strong period 
employment coverage. It is likely that companies may seek 
to realise high asset values through secondhand divestment 
or even the sale of vessels on order. Timecharter fixtures will 
be at a premium as owners seek to lock in earnings 
against a background of strong but declining rates.

The perceived strength of Product sector fundamentals may 
mean that companies with strong Product tanker involve-
ment are well supported. D/S Torm is the highest profile 
owner in the Product sector, while dedicated owners in this 
sector include Brostrom, Capital Product Partners and 
Omega Navigation.

Diversification is a strategy that started to come into focus 
in 2006/7 as companies looked to move into other sectors 
as a means of mitigating the impact of a potential tanker 
rate slump. OSG has been one of the most proactive com-
panies in the search for new markets with moves into the 
LNG sector and increased involvement in the Jones Act 
Trade. It may well look to invest further in non-international 
tanker markets in the future. Ship Finance International 
(SFL) is another company looking in new directions. 
Originally the effective banker for the Frontline tanker fleet, 
SFL has taken on a more independent profile with non-
Frontline financing of vessels in the Offshore and Container 
sectors.

The expansion of operating fleets as a means of improving 
market share will remain an option particularly through the 
growth of pools. For example, Brostrom has a stated aim to 
expand its 80 vessels (50% owned) operating fleet to 100 
vessels by the end of 2008. It is expected that attracting 
new pool partners is the most likely method of achieving this 
goal.

Having painted a reasonably pessimistic picture for the 
tanker sector in terms of companies preparing for a poten-
tial downturn, it is important to note that investor interest in 
the sector has not waned with two new tanker companies 
(D’Amico International Shipping and Nordic Tankers) listed 
in 2007 in addition to Capital Product Partners in March 
2007. There is also the prospect of Teekay seeking to list its 
OMI boosted tanker fleet in late 2007. Looking much further 
ahead Philippines National Oil Shipping and Transport Corp is 
looking to secure a listing in 2009.
Shipping Share Indecies 2007

Chemical Share Index

Dry Bulk Share Index

Multi Fleet Share Index

Pass/Roro/Ferry Share Index

Chart based on 3 companies.
Change year-on-year 11/06 to 11/07 = 4.0%
Performance Ranking = 10 of 12

Chart based on 27 companies.
Change year-on-year 11/06 to 11/07 = 273%
Performance Ranking = 2 of 12

Chart based on 34 companies.
Change year-on-year 11/06 to 11/07 = 125%
Performance Ranking = 4 of 12

Chart based on 5 companies.
Change year-on-year 11/06 to 11/07 = -7.1%
Performance Ranking = 12 of 12

Chart based on 27 companies.
Change year-on-year 11/06 to 11/07 = 21.7%
Performance Ranking = 9 of 12

Chart based on 8 companies.
Change year-on-year 11/06 to 11/07 = 36.4%
Performance Ranking = 8 of 12

Chart based on 7 companies.
Change year-on-year 11/06 to 11/07 = 45.6%
Performance Ranking = 6 of 12

Chart based on 15 companies.
Change year-on-year 11/06 to 11/07 = 159%
Performance Ranking = 3 of 12

Chart based on 8 companies.
Change year-on-year 11/06 to 11/07 = 37.5%
Performance Ranking = 7 of 12

Chart based on 26 companies.
Change year-on-year 11/06 to 11/07 = -3.6%
Performance Ranking = 11 of 12

www.crweber.com
Can dynamic new insurance products insulate ship owners from downside market risk, enhance risk management and allay investors fears in a volatile market?

A discussion about the pros and cons of new insurance products to protect revenue and limit exposure for owners, operators, traders and charterers from charter default and other revenue interruptions always stimulates lively debate. It stirs up deep seated, vastly differing and often vociferous views on the very nature of insurance. Architect Ludwig Mies Van Der Rohe said of insurance. “Simply by not owning three medium-sized castles in Tuscany I have saved enough money in the last forty years on insurance premiums alone to buy a medium-sized castle in Tuscany.” Others would argue that insuring revenue is not only prudent but in an uncertain and volatile market, essential.

Eagle Bulk Shipping Inc., (NASDAQ:EGLE) the largest U.S.-based owner of Handymax dry bulk vessels recently announced that they had secured charter default insurance coverage on their full fleet, thereby providing the company and their investors with revenue protection over the next three years.

Eagle’s announcement confirms that the decision by certain boutique marine insurance firms to concentrate their product development skills on building dynamic credit default solutions at a time when the dry bulk sector is on its longest bull run in history has met with market approval. As the number of listed companies in the dry bulk sector has increased, more and more non-shipping investors are tempted by the lucrative dividends on offer and as ship financiers have become willing to provide ever larger revolving credit facilities to fund ambitious fleet expansion projects, so the pressure mounting on these companies to protect their balance sheet becomes more compelling.

There is a view amongst some industry experts and commentators that the current supply and demand imbalance in shipping may begin to correct at anytime, depending on the sector, from 2008 to 2010. This threat of tonnage overhang has added to the general market volatility and this in turn has led to good deal of uncertainty as to how the various markets will perform going forward.

It is against this background of uncertainty and volatility that certain insurers have received a high volume of enquires from interested shipping parties who are beginning to look seriously at the ways in which they can protect their forecast revenues.

In the past, underwriting constraints had been placed on insurers that had prohibited them from providing indicative terms providing charter default insurance more than three months prior to the commencement of a fixture. However, to keep pace with the evolving credit risks in shipping, charter default insurance coverage can now be structured to allow a shipowner to buy insurance today on a fixture where the latest delivery date may be up to 12 months in the future.

Recently insurers have been able to structure coverage on forward fixtures that will ensure that the insured has charter default insurance in place when most needed, after signing of the CP but prior to delivering their vessel onto the charter.

To cover this, the market leader in this space has developed three cover extensions of forward fixtures:

**Option 1**
Underwriters are prepared to offer the standard 2 year ‘declaration’ (policy) period with an indemnification period of 12 months that incepts at the point at which the forward fixture is agreed. This could be anything up to 12 months prior to delivery of the vessel. If the charterer were to become insolvent prior to the vessel being delivered, the indemnification period would run from the date of insolvency. If this were to occur 3 months prior to delivery then 9 months of the indemnification period would remain once the vessel was delivered to owners. Atradius would then cover any shortfall once the vessel was re-fixed to an alternative charterer. The approximate rate for this option will be one third of the full premium amount per vessel.

**Option 2**
Underwriters will provide ‘insolvency only’ cover for up to 12 months prior to delivery. The indemnification period of 360 days would then run from the date of delivery and cover any shortfall in daily hire if the vessel is re-fixed. The approxi-
mate rate for this cover would be two thirds of the full premium amount per vessel.

Option 3
Similar to Option 2 but with protracted default included i.e. if the charterer does not take delivery of the ship, fails to make hire payments and offers no reason for not paying, the policy would pay any shortfall on re-fixing, 180 days after the delivery date. The rate for this cover would be the full premium amount per vessel.

Whilst charter default insurance may be the most well known of the dedicated maritime insurance products developed recently, there is a broader story on insurance innovation to discuss.

As well as the risk of counter party default in the physical market, products are under have been developed to cover the ever increasing counterparty risks that traders and ship owners are assuming in the paper markets. Whilst more and more paper trades are being transacted through clearing houses by and far the largest volume of FFAs certainly in the dry bulk trades are traded “Over the Counter (OTC)”. OTC transactions leave the parties to the trade exposed to the risk of counterparty default and it is in this area that insurers have been developing the paper equivalent of their physical market products with a number of clients and innovative insurance markets.

However, locking in revenue does not stop at covering the risk of default, insurers have also turned their attention to the risk of charter party cancellation.

The risk of charter party cancellation arises when a vessel incurs physical damage and needs to be taken out of service to undergo repair. At a time when there is a scarcity of available ship yards and repair berths, many of which are bulging with new builds and ship conversions, the allowable time for repair under a charter party cancellation clause can be quickly eroded. Similarly, if future lucrative charters on new builds or vessels coming out of dry dock and special survey are to attach on delivery from the ship yard, an unforeseen delay on the delivery of the vessel can place that charter at the risk of cancellation with the associated loss of revenue.

Such problems become particularly acute for a ship owner in a falling market when a charterer may rightly look for any legitimate excuse to escape a time charter obligation that was fixed at a rate that is above the current market. Alternatively, in a rising market traders may be relying on booked time charter tonnage to fulfil contacts of affreightment.

If the vessel which they have agreed to charter from the yard fails to be delivered they may be forced to charter in alternative tonnage at short notice and at higher rates than they had budgeted for with the consequential negative impact on their balance sheets. This charter party cancellation insurance is another innovative product that the insurance market has pioneered to cover another of the evolving risks in the shipping business today.

With the current boom in shipbuilding, ship owners, charterers, financiers and chartering brokers have a lot invested in the successful and timely delivery of the new vessel in which they have a collective interest.

Until recently, liquidity had been freely available from ship financiers at rates of borrowing and asset to value ratios that had hitherto been unknown in the shipping industry. Latterly lenders have been forced by the ripple effect of the so called “credit crunch” to take a long hard look at their financial risk management and as such they are becoming more selective with as to the projects which they are willing to finance. In the case of ship building, a greater degree of scrutiny is being heaped upon the foreign banks from whom they are willing to accept refund guarantees on their advance payments. Herein lies another area where innovative insurance solutions can be developed to reduce risk. “Non-honouring refund guarantee insurance” for owners and financiers who are uncomfortable with the credit risk on the guarantor nominated by the ship yard.

Another of the credit risks associated with newbuildings in the present market is the protection of the profit to be realised on delivery when entering into a pre-delivery forward sale contract, if the ship fails to be delivered so does the owner’s resale profit.

It cannot be denied that shipping is changing; the entrepreneurial family run shipping companies are now competing for business with public companies that have new style shipping executives at their helm. This new breed of ship owner is well versed in the benefits that the financial markets have to offer and are willing to take advantage of favourable market conditions to return attractive dividends to their investors.

As the financial landscape changes so do the demands of the market for more dynamic insurance solutions. This need for the traditional insurance market to evolve and offer creative insurance solutions is certainly being met by one company that we are aware of. Creating bespoke insurance products to ensure that ship owners and their investors are protected from the often random effects of the shipping markets to which their projected revenues may be exposed has become their goal.

In order to explore the sort of costs associated with these products we dreamt up a hypothetical and rather unpleasant scenario and sent it over to the U.K. based industry leading insurance brokerage in this market, Seacurus Limited. Captain Thomas Brown and Nick Maddalena of
Seacurus were very happy to humour us with a response, which gives some clarity to the costs and constraints associated with putting these types of cover in place.

Hypothetical Scenario

In 2005 Acme Shipping orders a Suezmax Tanker for delivery Mar 2008 for a price of $75m. In Nov 2007 Acme Shipping fixes their newbuilding for 3 year time charter basis delivery ex yard cancelling Mar 1-15 2008 at a rate of $38,000 a day. In December 2007 Acme Shipping sells the vessel basis delivery ex yard 1-15 March with charter attached to a hedge fund for $105m including a premium for the time charter.

In January 2008 the market takes a turn for the worse, the spot market falls, charterers jump in to fix period business and there is a flight to period cover by owners. The resulting rush depresses 3 year period rates to $22,000 a day and pushes values for prompt re-sales down to $65m.

A week later the shipyard suffers a fire and has to push delivery of the Acme Shipping Suezmax from 1-15 March to 15-30 May 2008.

As both the period fixture and the vessel sale were based on delivery 1-15 March both the period charterer and the vessel sale are facing cancellation.

Acme has in essence lost $40m on their resale of the vessel
And the difference between the market on delivery and the time charter fixture rate.

Had Acme Shipping had in place the relevant Seacurus insurance products: How would their loss be mitigated? Which of the multitude of products they offer would be utilised? What “very roughly” would the costs be for the respective insurance products?

In very short order BrownNick and MaddalenaTom of Seacurus came back to us with the following analysis of our scenario:

“We have considered how our products would respond to your scenario, which we outline below:

1. Loss mitigation

Had Acme Shipping adopted a cautious risk management strategy as an insurance buyer they could have purchased insurance to protect their loss of profit on resale, loss of charter hire following the cancellation of the C/P and/or loss of charter hire as a consequence of the non-payment of hire by the charterer.

Taking each in turn:

a) Loss of profit on resale - in certain circumstances it is possible to insure the loss of profit on a resale, this insurance would be dependent upon underwriters view on the shipyard which they would assess following a review of the yards' past performance, order book and financials - typical rates could be 1.75% on limit and pro rata on exposure. Ordinarily the underwriter would look for a sizeable deductible i.e. 20% of the sum at risk i.e. in this case $8 million. Therefore for a $40million limit over a 2 year period we would be looking to insure $32million xs of $8million at the following calculation: (32,000,000 x 1.75%) = $560,000/year.

b) Loss of Charter Hire following cancellation - Had Acme Shipping arranged Charterparty Cancellation Insurance (CCI) and the charterer walked away as a consequence of late/non delivery from the yard then they would have been covered for any loss of hire that they realised on any future fixture on delivery from the yard.

In your example the vessel had been fixed at $38,000 following the cancellation she could earn $22,000 a day, meaning that the owner would suffer a loss of $16,000/day. Assuming that Acme Shipping had purchased a CCI policy with a maximum daily indemnity figure of $16,000/day then Acme would be indemnified for this amount of daily loss for up to 2 years i.e. $11,520,000.

This cover would be triggered by the cancellation of the charter and would start to pay once the vessel had been delivered from the yard. The typical cost of this insurance would be a premium equivalent to 4-6 days of indemnity, in this case $64,000 - $96,000/year. The actual rate would be dependent upon the vessel type, trading pattern, identity of technical managers, the period of the cancellation clause and the maximum daily indemnity to be insured.
c) Charterer Default Insurance (CDI) - as an alternative to your scenario, if the vessel was delivered on time and subsequent to the market downturn to which you refer the charterer quickly falls into arrears on his hire payments then the owner would be covered against the losses arising as a consequence of the charterer’s default.

In this particular scenario it would be typical to assume that the owner had purchased a two year CDI policy with a 360 day period of indemnification. The 360 days would be divided as follows, up to 90 days 80% indemnification of the daily hire amount plus a 100% top up indemnification of any amount of hire lost on re-fixture. In this particular scenario we could be looking at a maximum indemnification of $(90(38,000 \times 0.8)) + (38,000 - 22,000)270) = $7,056,000.

The cost of this insurance coverage will depend upon the credit quality of the charterer, the age and type of vessel, the length of the policy period, the daily hire amount, the max daily indemnity on re-fixture and the maximum indemnity period, typical rates in equivalent days of hire could be between 1 and 64 days of hire/year.

Nobody predicted the bull-run in the dry bulk sector would continue for as long as it has and similarly nobody can predict with certainty when it will end. The impact of 2010 and IMO Regulations 13G and H on the tanker fleet is open to ongoing debate, as is the flight to tanker conversion and how it will impact both sectors. While shipping has always and will always be an uncertain undertaking, we applaud companies that take the initiative to offer dynamic solutions to manage the risks associated with it. Insuring ones risk in shipping may in fact enable one to buy at least one medium-sized castle in Tuscany if the market goes the wrong way, and does one really need more than that?

More details of these innovative insurance solutions can be found at www.seacurus.com

“Simply by not owning three medium-sized castles in Tuscany I have saved enough money in the last forty years on insurance premiums alone to buy a medium-sized castle in Tuscany.”
January 12 / Week 2

Sales

"FRONT TRANSPORTER"
152,269/89 - SPLIT - B&W 16,175 - COILED - SBT - IGS - COW - SH - 21,700 LDT
Sold for $38 mill. to Norwegian buyer (Blystad). For conversion to semi-submersible heavy lift.

"OVERSEAS LIMAR"
"OVERSEAS NEDIMAR"
46,000/96 - HALLA SAMHO - B&W 10,250 - COATED - COILED - SBT - IGS - COW - DH
Sold for $40 mill. each to Greek buyer (Chartworld). Sale includes a long term BB back to sellers.

"NORDEUROPA"
35,752/00 - DAEDONG - B&W 10,710 - COATED - COILED - SBT - IGS - DH
Sold for $39.8 mill. to German buyer (Koening).

"SEINE"
Reported sold for $38 mill. to Italian buyer (Zacello).

"MARAMOZZA"
"SAN TERENZO"
24,000/83/82 - ITALY - GMT 8,100 - COATED - SBT - IGS - SH - 7,940 LDT
Sold for $7.5 mill. 'en bloc' to undisclosed buyer.

"SUTRA LIMA"
8,406/95 - ASAKAWA - MIT 4,200 - COATED - COILED - SBT - IGS - DH
Sold for $15.5 mill. to S. Korean buyer.

"BLACKROCK"
2,675/89 - UK - MAK 1,795 - COILED - SBT - IGS - DH
Sold for $2.75 mill. to undisclosed buyer.

Newbuilding Contracts

Tankers
No. Size Type Yard Delivery Price (mill) Owners Comm.
2 x 298,000 dwt Dalian 2010 COSCO
2 x 159,000 dwt Hyundai 2010 FLOPEC.
2 x 107,000 dwt Tsuneishi 2011 American Eagle

Products
No. Size Type Yard Delivery Price (mill) Owners Comm.
4+2 115,000 dwt Prod Hyundai 2010 Jebsen
2 x 50,100 dwt Prod SPP 2009 Int. Marine Serv.
2+3 49,700 dwt SLS 2008/9 SLS J.
2 x 7,000 dwt Nantong 2008 Herning

Chemical
No. Size Type Yard Delivery Price (mill) Owners Comm.
1 x 19,900 dwt Fukuoka 2009 Shinwa Kaiun
4 x 9,000 dwt Chuandong 2008/9 $25.6 Sinochem Shpg.
8 x 7,500 dwt China 2008/9 $15.5 Unifleet
2 x 5,800 dwt Soli 2009 Soli

LNG
No. Size Type Yard Delivery Price (mill) Owners Comm.
2 x 170,000 cbm Samsung 2010 BE Group
2 x 10,000 cbm Skaugen 2009/10 Skaugen

LPG
No. Size Type Yard Delivery Price (mill) Owners Comm.
3 x 17,500 cbm Meyer 2010 Harpin Shpg.
2 x 8,000 cbm INP 2009 Lauritzen

Demolition

Bangladesh
M/T "KRITI MOUNTAIN" - 97,536/81 - 16,823 LDT - USD 447/LDT
M/T "PABLO NERUBA" - 39,870/78 - 11,397 LDT - USD 447/LDT

January 19th, 2007 / Week 3

Sales

"WINDSOR"
162,000/07 - DAEDOO - B&W 30,000 - COILED - SBT - IGS - COW - DH
Sold for $95.5 mill. to Norwegian buyer (Knutsen).

"KNOCK STOCKS"
138,105/93 - UK - B&W 17,578 - COILED - SBT - IGS - COW - SH
Sold for $32.75 mill. to undisclosed buyer.

"KIMA"
95,822/93 - NAMURA IMARI - SUL 18,082 - COILED - SBT - IGS - COW - DH
Sold for $44 mill. to S. Korean buyer (Sunwoo).

"NORDIC TRYM"
80,745/87 - DALIAN - B&W 12,853 - COILED - SBT - IGS - COW - DH
Sold for $35 mill. to Norwegian buyer.

"MARSHAL BAGRAMYAN"
"SOROKALETIE POBEDY"
"MARSHAL CHUYKOV"
67,980/85/84 - RUSSIA - B&W 16,568 - COILED - SBT - IGS - COW - DH
Reported sold for $8.5 mill. each to Dubai based buyer (Emirates Shipping).

"MERIOIM SKY"
38,500/06 - GUANGZHOU - B&W 12,889 - COATED - SBT - IGS - COW - DH
Sold for $46 mill. to undisclosed buyer. Sale includes 3 year bb back at $14,000/day.

"MAERSK RHINE"
"MAERSK RUGEN"
"MAERSK ROUEN"
35,000/99/01/00 - GUANGZHOU - B&W 9,720 - COATED - COILED - SBT - IGS - COW - DH
Sold for $30 mill. each to German buyer (Chemikalien Seatransport). Sale includes t/c until 08/2008 at $13,350/day.

"OKTAVIUS"
23,050/86 - SWEDEN - B&W 8,973 - COATED - COILED - SBT - IGS - COW - DH
Sold for $16 mill. to Greek buyer.

LPG "ZETAGAS"
6,975/82 - GERMANY - B&W 5,910 - 6,566 CBM
Sold for $66 mill. to Greek buyer (Magnus).

LPG "HOURAI MARU"
51,232/85 - HITACHI - B&W 16,500 - 76,200 CBM
Sold for $25 mill. to undisclosed buyer.

Demolition

INDIA
M/T "MAURO I" - 37,182/81 - 7,933 LDT - USD 433/LDT
Buyers option for delivery in India or Pakistan
M/T "ENTALINA" - 29,999/78 - 7,151 LDT - USD 436/LDT

www.crweber.com
January 26th, 2007 / Week 4

Sales

“GLOBAL BRIGHT” 97,078/92 - IMABARI - SUL 13,800 - COILED - SBT - IGS - COW - DS
Sold for $29.5 mill. to South Korean buyer.

“TIAN XING ZHOU” 69,998/93 - MANURA IMARI - MIT 11,900 - COILED - SBT - IGS - COW - DS
Sold for $25 mill. to Chinese buyer.

“SEAPURHA” 39,672/87 - HYUNDAI - B&W 8,960 - SBT - IGS - DS
Sold for $16 mill. to Greek buyer (Warm Seas).

“GRIGORIY NESTERENKO”

“PETR SCHMIDT” 28,610/86/87 - KHERSON - B&W 11,828 - COATED - COILED - SBT - IGS - COW - DH
Sold for $27.5 mill. ‘en bloc’ to Peruvian buyer.

“STEN ODIN” 13,780/98 - JIANGNAN - B&W 7,205 - COILED - DH - IMO 2
Sold for $22.5 mill. to Swedish buyer (Donsoe Shipping).

“CELIKTRANS 30” 4,750/06 - TURKEY - MAK 3,200 - COATED - COILED - DH - IMO 2
Sold for $15.6 mill. to Danish buyer (Fabricius Marine).

Newbuilding Contracts

Tankers

No. Size Type Yard Delivery Price (mill) Owners Comm.
1 x 318,000 dwt HHI 2010 Athenian Decl. Opt.
1 x 315,000 dwt Shanghai W. 2010 Flying Leaf Shpg.
1 x 298,000 dwt Universal 2011 Emirates Trading
2 x 165,000 dwt HHI Samho 2009/10 Metrostar

Products

No. Size Type Yard Delivery Price (mill) Owners Comm.
1 x 75,000 dwt Hyundai Mipo 2010 Gulf Energy
1 x 51,000 dwt STX 2009 Emirates Trading
2 x 50,000 dwt Hyundai Mipo 2009 $48 Overseas Shipholding
3 x 49,700 dwt SLS 2009 $48 SLS Group
2 x 37,000 dwt Hyundai Mipo 2009 $43 OMI Corp.
2+2 13,000 dwt 21C 2008 Sinochem

Chemical

No. Size Type Yard Delivery Price (mill) Owners Comm.
2 x 25,000 dwt Daesun 2009 $35 N. Moundreas

Demolition

INDIA
M/T “JAG PADMA” - 47,803/82 - 10,100 LDT - USD 430/LDT
M/T “MADONNA” - 38,213/80 - 9,035 LDT - USD 440/LDT

February 2 / Week 5

Sales

“GONEN” 47,102/00 - ONOMICHI - MAN 11,640 - COATED - COILED - SBT - IGS - COW - DH
Sold for $47.5 mill. ($45 mill net) to Vietnamese buyer (Vosco).

“NORDIC BLOSSOM” 19,954/81 - HAYASHIKANE - B&W 8,040 - COATED - COILED - SBT - IGS - DB - IMO 2/3 - 6,094 LDT
Sold for $3.3 mill. to Far Eastern buyer.

February 9 / Week 6

Sales

“NORDATLANTIC” 105,344/01 - SUMITOMO - SUL 16,320 - COILED - IGS - COW - DH
Sold for $59.5 mill. to German buyer. Sale includes t/c until 2nd quarter 2012 at region $23,500/day.

OBO “AMIGO”
OBO “AMORITO” 76,300/85 - SPAIN - B&W 15,200 - 9 HH - COATED - IGS - COW - DB - 16,333 LDT
Sold for $48.25 mill. to Taiwanese buyer (Formosa Plastics).

“CHANG HANG FEN JIN” 46,346/07 - BOHAI - SUL 11,270 - COATED - SBT - IGS - COW - DH
Sold for $26.5 mill. to Japanese buyer.

“MUSTAFA KEMAL 2” 3,600/05 - YILMAZ - MAK 2,516 - COILED - SBT - IGS - COW - DH
Sold for $14.6 mill. to undisclosed buyer.

Newbuilding Contracts

Tankers

No. Size Type Yard Delivery Price (mill) Owners Comm.
4 x 160,000 dwt Prod Chuangdong 2009/10 $60 Marmaras

Products

No. Size Type Yard Delivery Price (mill) Owners Comm.
4 x 266,000 cbm LNG Samsung 2009/10 $286 Qatargas
4 x 210,000 cbm LNG DSME 2009/10 Qatargas

LPG

No. Size Type Yard Delivery Price (mill) Owners Comm.
4 x 266,000 cbm LPG Samsung 2009/10 $286 Qatargas
Demolition

Bangladesh
M/T “TITAN MARS” - 135,500/76 - 20,916 LDT - USD 440/LDT
Basis delivery “as is” Singapore including bunkers

India
M/T “OCEANIDA” - 87,308/80 - 15,923 LDT - USD 451/LDT

Pakistan
M/T “CHRISTEN” - 63,133/81 - 11,412 LDT - USD 425/LDT

February 16th, 2007 / Week 7

Sales

“SAVOIE”
306,430/93 - NIKON KOKAN TSU - SUL 35,000 - COATED - COILED - IGS - COW - DH
Sold for $85 mill. to S. Korean buyer. Sale includes possible fixture to STX Panceen.

“APOLLO SHOOJI”
258,034/86 - MITSUBISHI - SUL 20,157 - SBT - IGS - COW - SH - 34,055 LDT
Sold for $39.5 mill. to Japanese buyer (Modec) for conversion.

“AZUMA ENTERPRISE”
255,226/90 - HYUNDAI - SBT - IGS - COW - SH
Sold for $35 mill. to Greek buyer.

“JAG LAADKI”
145,242/92 - U.K. - SBT - IGS - COW - SH
Sold for $28 mill. to Greek buyer (Varnima).

“SEA CAT”
89,636/85 - KAWASAKI HS - SBT - IGS - COW - SBT - DS
Sold for region $18 mill. each to Norwegian buyer (Sea Production).

OBO “SIBONINA”
83,155/93

OBO “SIBOTURA”
75,992/92

“SIBOELF”
74,928/92

DENMARK - B&W 12,742 - 9 HH - COILED - SBT - IGS - COW - DH
Sold for $101 mill. ‘en bloc’ to Norwegian buyer.

“LOYALTY”
75,992/85 - SWEDEN - B&W 12,772 - SBT - IGS - COW - DH
Sold for $15.3 mill. ‘en bloc’ to Greek buyer (Stigga).

OBO “SIBONINA”
3,600/85 - TURKEY - MAK 2,516 - COILED - SBT - IGS - DH - IMO 2
Sold for $14.6 mill. to Turkish buyer (Svithoid).

Newbuilding Contracts

Tankers
1 x 165,000 dwt H. Samho 2009 Liquimar
3 x 105,000 dwt Vinashin 2008/9 PetroVietnam

Products
2 x 115,000 dwt Samsung 2010 Andromeda Shpg.
4 x 52,000 dwt Korea 2010 German
1 x 30,000 dwt PT Kodja 2009 Pertamina
2 x 17,500 dwt PT Kodja 2009 Pertamina

LNG
1 x 170,000 cbm LNG STX 2010 $205 Elcano

March 2, 2007 / Week 9

Sales

“ACTION EXPRESS”
69,998/90 - HASHIHAMASA - MIT 11,298 - SBT - IGS - COW - DS
Sold for region $25.5 mill. to Greek buyer (Centrofin).

“ALELGERO DOUBLE”
67,980/83 - ZALIV - B&W 16,799 - SBT - IGS - COW - DH - IMO 3
Sold for $11.8 mill. to Greek buyer (Aegean Marine).

“PRIAMOS”
65,034/83 - SASABO - SUL 17,517 - SBT - IGS - COW - DS
Sold for $7.5 mill. to S. Korean buyer.
**March 9, 2007 / Week 10**

**Sales**

"KANAYAMA"
258,094/92 - MITSUI - B&W 27,132 - SBT - IGS - COW - SH
Sold for $38.5 mill. to TMT.

"SATSUMA"
258,019/93 - NIPPON TSU - SUL 26,848 - COILED - SBT - IGS - COW - SH
Sold for $39.5 mill. to FAI Bunkering.

"FRONT TARGET"
"FRONT TRAVELLER"
"FRONT GRANITE"
150,000/90/90/91 - SPLIT - B&W 18,175 - SBT - IGS - COW - SH
Sold for $114 mill. 'en bloc' to Norwegian buyer. For conversion to heavy lift ships

**LNG "HOEGH GALLEON"**
50,746/74 - NORWAY - G.E.C. 30,000 - 87,603 CBM
Sold for excess $45 mill. to undisclosed buyer.

**OVERSEAS ALMAR**
46,162/96 - HALLA SAMHO - B&W 10,140 - COATED - COILED - SBT - IGS - COW - DH
Sold for $38.5 mill. to European buyer.

**ATLANTIC SWAN**
10,501/82 - SWEDEN - SUL 5,800 - COATED - COILED - IMO 2/3 - 4,287 LDT
Sold for $5.9 mill. to undisclosed buyer.

**Newbuilding Contracts**

**Tankers**
2 x 295,000 dwt China 2010 $120 China Merchants
2 x 110,000 dwt Hudong 2009 $61 F. D'Amato

**Products**
1 x 25,000 dwt K. Zosen 2011 Kawasaki Kisen

**Chemical**
1 x 19,900 dwt Fukuoka 2009 WO Nederland
4 x 16,500 dwt YangFan 2009 TB Marine
5 x 13,000 dwt Jinse 2009/9 $22 Lorentzens Skibs
3 x 7,000 dwt Penang 2008/9 $14 Gagasan Carriers

**Demolition**

India
M/T “AIAS” - 37,350/81 - 8,574 LDT - USD 450/LDT - dely India or Pakistan

**March 16th, 2007 / Week 11**

**Sales**

"FRONT VANADIS"
285,873/91 - DAEWOO SB/HM - B&W 31,888 - SBT - IGS - COW - SH
Sold for $42 mill. to Taiwanese buyer (TMT).

"STX JINHAE 1205 / 1206"
74,200/07 - STX - B&W 18,436 - COILED - DH
Sold for $127 mill. 'en bloc' to Greek buyer (Omega Navigation).

**GALP SETUBAL**
29,997/84 - KASADO - B&W 10,140 - COILED - SBT - SH - 9,749 LDT
Sold for $4 mill. to European buyer.

**LPG “HENRIETTE MAERSK”**
23,267/84 - HYUNDAI HI - B&W 18,186 - 20,700 CBM
Sold for $40 mill. to Danish buyer (Othello).

**Newbuilding Contracts**

**Tankers**
2 x 115,000 dwt Samsung 2010 Geden Line
1 x 105,000 dwt Sumitomo 2010 DSD Shipping

**Products**
2 x 74,000 dwt STX 2009 $68 Formosa
1 x 50,000 dwt SPP 2009 $47 Benelux Overseas
2 x 50,000 dwt Guangzhou 2009/10 Motia

**Demolition**

Pakistan
M/T "LAERTIS" - 37,785/81 - 10,039 LDT - USD 477.00/LDT

**March 23, 2007 / Week 12**

**Sales**

“ELIOMAR”
149,991/02 - NIPPON KOKAN TSU - SUL 22,379 - COILED - DH

**Newbuilding Contracts**

**Tankers**
2 x 300,000 dwt Jiangdong 2009/10 $108 OSG
6 x 75,500 dwt Dalian 2009/10 $51.6 China Shpg.

**Products**
Sold for $85.5 mill. to German buyer (Dr. Peters). Sale includes a 5-year t/c at $35,000/day.

“HAWK I”
62,654/82 - MITSUI CHIBA - B&W 15,199 - COILED - SBT - IGS - COW - SH - 14,223 LDT
Sold for $6 mill. to Chinese buyer.

“SPERCHIOS”
61,540/82 - ONOMICHI - B&W 13,100 - COATED - COILED - SBT - IGS - COW - DS - 13,407 LDT
Sold for $7 mill. to undisclosed buyer.

“MASTERY”
9,306/85 - ASAKAWA - MIT 4,831 - COATED - COILED - SBT - IMO 2/3 - DH - 2,876 LDT
Sold for $6 mill. to undisclosed buyer.

LPG “DORADO GAS”
5,588/94 - KITANIHON - MIT 4,200 - 5,012 CBM
LPG “VIRGO GAS”
2,609/95 - KITANIHON - MIT 3,600 - 3,516 CBM
Sold for $18 mill. ‘en bloc’ to Greek buyer (Stealth Gas).

“KEOYOUNG GREAT”
3,019/93 - ASAKAWA - HANSHIN 3,300 - IMO 3 - DH
Sold for $4.75 mill. to Japanese buyer.

“HAEJIN PRINCESS”
4,534/94 - TONGYONG - B&W 3,265 - COATED - COILED - IMO 3 - DB
“ROYAL TOPAZ”
3,386/96 - ILHUNG - AKA 2,200 - COATED - COILED - IMO 3 - DB
“ROYAL RUBY”
3,358/94 - YONGKWANG - APPHA 2,329 - COATED - COILED - IMO 3 - DB
Sold for $18 mill. ‘en bloc’ to South Korean buyer.

Newbuilding Contracts
Tankers
1 x 300,000 dwt Nantong 2010 $90 Kawasaki Kisen
2 x 250,000 dwt Namura 2011/12 $85 Kawasaki Kisen
2 x 157,000 dwt Samsung 2010 Ya-Sa Shipping
2+2 156,000 dwt Nantong 2010 Frontline
2 x 110,000 dwt Zhoushan 2010 Teekay
2 x 106,000 dwt Samsung 2010 Teekay
2 x 105,000 dwt Tank Sumitomo 2009/10 Tsakos Energy

Products
4 x 50,000 dwt Prod SPP 2008/9 $48 Yasa Shpg.
1 x 13,200 dwt Prod Krasnoye 2009 Palmali
8 x 13,000 dwt Prod 21st Century 2008/9 Dorico

Chemical
2 x 90,000 cbm Samsung 2010/11 $212.5 Flex LNG

Demolition
India/Pakistan
M/T “AL BIDA”
LPG 61,401/79 - 21,027 LDT - USD 435.00/LDT
Delivery option India or Pakistan
TURKEY
M/T “SLOPS X”
39,860/75 - 10,642 LDT - USD 225.00/LDT - As is Greece

April 5, 2007 / Week
Sales
“SUZUKA”
269,581/92 - KAWASAKI HI SAKAIDE - B&W 28,000 - COATED - SBT - IGS - COW - SH
Sold for $39 mill. to Taiwanese buyer (TMT).

“BRIGHT ARTEMIS”
261,284/92 - SASEBO - B&W 37,170 - SBT - IGS - COW - SH
Sold for $42.5 mill. to Greek buyer (Transmed).

“SHINYO GUARDIAN”
39,860/75 - 10,642 LDT - USD 225.00/LDT - As is Greece

March 30, 2007 / Week 13
Sales
“MAERSK POINTER”
109,325/01 - DALIAN - SUL 21,127 - SBT - IGS - COW - DH
Sold for $61 mill. to German buyer (Koening). Sale includes 5 year charter to TK at $25,000/day.

“FAITH IV”
63,765/87 - KOYO MIHARA - SUL 13,440 - COATED - SBT - IGS - COW - DH
Sold for $19.25 mill. to Singapore buyer (Chemoil). Sale includes 12 month bb c/b at $17,000/d.

“CHAMPION VENTURA”
45,574/81 - GERMANY - MAN 21,669 - COILED - SBT - IGS - COW - DB - 10,400 LDT
Sold for $4.2 mill. to undisclosed buyer.

“BOW LADY”
32,225/85 - NORTHERN DISEL - SUL 12,000 - COILED - SBT - IGS - COW - DB - 7,286 LDT
Sold for $5 mill. to Norwegian buyer (Alendal).

“MONTE OLIVETO”
18,774/87 - ITALY - SUL 8,880 - COATED - COILED - SBT - IMO 3 - DB
Sold for $8 mill. to Greek buyer.

“OWL TRADER”
12,444/82 - SHIMODA - MIT 7,000 - COILED - SBT - IMO 2/3 - DB - 4,048 LDT
Sold for $2.75 mill. to Norwegian buyer (Alendal).
Newbuilding Contracts

Tankers
1 x 159,000 dwt H. Samho 2009 Centrofin
4 x 113,000 dwt Korea 2010 Dunya Denzclik
2 x 100,000 dwt Hanjin 2009 $65 undisclosed
3 x 74,000 dwt SPP 2009/10 $58 Roxana Shpg.
1 x 47,250 dwt Imabari 2010 Yuyo Steamship

Products
2 x 8,000 dwt Yangzhou 2009 $12 Sumatec Resources

Chemical
4 x 16,800 dwt Chem China 2009 $19 PCL
4 x 16,500 dwt Chem China 2010 TB Marine
2 x 13,000 dwt Chem STX 2009 Benelux Overseas

Gas
1 x 83,000 cbm KHI 2010 $93 Shinwa VLGC
1 x 82,000 cbm KHI 2010 $94 Zodiac VLGC

Demolition
Bangladesh
M/T “SHALAMAR” - 99,358/81 - 18,076 LDT - USD 480.00/LDT

April 13, 2007 / Week

Sales
“TITAN TAURUS”
254,351/92 - MITSUBISHI - MIT 23,499 - SBT - IGS - COW - SH
Sold for $41 mill. to S. Korean buyer (Korean Lines).

“CELEBRITY”
105,221/04 - SUMITOMO - SUL 16,315 - COATED - COILED - SBT - IGS - COW - DH
Sold for $74 mill. to Libyan buyer (LNOC).

“SUTRA TIGA”
8,614/92 - MIYOSHI - MIT 4,900 - COILED - SBT - DH - IMO 2/3
Sold for $12 mill. to S. Korean buyer (Kee Young).

“ORAM PALACE”
7,544/85 - HASHIHAMA - B&W 4,068 - COATED - COILED - SBT - COW - DH
Sold for $3.5 mill. to S. Korean buyer.

NEWBUILDING CONTRACTS
1 x 105,000 dwt Tank Korea 2010 India Steamship
8 x 52,000 dwt Tank Korea 2009/10 $47-48 Offer
4 x 43,200 dwt Chem SLS 2011/12 $85 Stolt

April 20 / Week

Sales
“ERRORLESS”
147,048/93 - U.K. - B&W 17,578 - COILED - SBT - IGS - COW - DH
Sold for $50 mill. to Norwegian buyer (for conversion).

“MORNING”

46,700/04 - HYUNDAI MIPO - B&W 12,900 - COATED - COILED - SBT - IGS - COW - DH
Sold for $51.5 mill. to German buyer (Koenig).

50,100/06 - S. KOREA - SUL 12,940 - COATED - COILED - SBT - IGS - DH - IMO 3
Sold for $52 mill. net to Vietnamese buyer, with subs.

“STX ACE 5”
46,177/06 - STX - B&W 12,900 - COATED - SBT - IGS - COW - DH
Sold for $54 mill. to Vietnamese buyer.

LPG “BERGE TRADER”
52,160/06 - S. KOREA - SUL 19,590 - 78,500 CBM
Sold for $93 mill. to undisclosed buyer.

“GEDEN NB RESALE”
2 x 46,600/08 - HYUNDAI MIPO - DH
Sold for $51 mill. each to Greek buyer (Minerva).

“MERIO PRIDE”
38,877/04 - GUANGZHOU - B&W 10,710 - COILED - SBT - IGS - COW - DH
Sold for $40 mill. to undisclosed buyer. Sale includes 4 year bb at $16,500/day.

“ALAM CANTIK”
“ALAM CEPAT”
35,000/06/07 - DALIAN - B&W 9,720 - COILED - IGS - DH
Sold for $85 mill. ‘en bloc’ to German buyer.

LPG “CAMELOT”

LPG “SUPER LEAGUE”
7,155/02 - JAPAN - B&W 6,590 - 7,530 CBM
Sold for $19 mill. each to Greek buyer (Inter Unity).

“PYLA”
6,712/01 - TURKEY - MAK 5,220 - COATED - COILED - IGS - DH - IMO 2
Sold for $16 mill. to Far Eastern buyer.

LPG “CHEPSTOW”
LPG “GOODWOOD”
5,242/96 - HIGAKI - B&W 5,280 - 5,016 CBM
Sold for $11 mill. each to Chinese buyer.

“JETTE THERESA”
2,542/95 - TURKEY - ALPHA 1,020 - COATED - COILED - SBT - DB
Sold for $3.5 mill. to Swedish buyer (Krabbeskars).

Newbuilding Contracts

Tankers
1 x 54,000 dwt Tank MNP 2008 Pietro Barbaro
4 x 16,800 dwt Chem China 2009 $19 PCL
4 x 16,500 dwt Chem China 2010 TB Marine
2 x 13,000 dwt Chem STX 2009 Benelux Overseas

April 27, 2007 / Week

Sales
“NORDASIA”
105,94/98 - HYUNDAI - B&W 16,880 - COILED - SBT - IGS - COW - DH
Sold on subs for $59 mill. to Vietnamese buyer (VOSCO).

“ST. PETRI”
47,228/00 - ONOMICHI - B&W 11,640 - COILED - SBT - IGS - DH
Sold for $38.5 mill. to German buyer. Internal sale from KG company to the vessel’s operator.

“LADOGA”
11,860/82 - SWEDEN - 2 X WICHMAN 5,998 - COATED - SBT - COW - DB - 3,857 LDT
Sold for $3.25 mill. to Russian buyer.

“SUNRISE ORCHID”
7,527/96 - SHIN KURUSHIMA - B&W 4,400 - COILED - SBT - IGS - COW - DH
Sold for $16.5 mill. to undisclosed buyer.

NEWBUILDING CONTRACTS
4 x 110,000 dwt Tank Jinling 2009/10 Nanjing Tanker

www.crweber.com
May 4, 2007 / Week

Sales

"SUNRISE V"
264,164/91 - MITSUBISHI - MIT 29,798 - SBT - IGS - COW - SH
Sold for $40 mill. to Japanese buyer (Sanko). Sale includes BB attached for 3 years.

"DRY TANK NB RESALE"
162,000/01-08 - HYUNDAI - DH - ICE 1A
Sold for $92 mill. to Greek buyer (Minerva).

"GEOGIOS S"
159,981/01 - DAEWOO - B&W 22,921 - COILED - SBT - IGS - COW - DH
Sold for $86 mill. to Turkish buyer (Tupras).

3 X "IMC NB RESALE" DALIAN PC 760-9 / 10 / 11
75,500/09 - DALIAN - MAN / B&W 16,641 - COILED - SBT - IGS - COW - DH
Sold for $54 mill. each to Singapore based buyer (BW Shipping).

"PETRO BARBARO NB RESALE"
50,000/11-07 - STX Chinhiae
Sold for $52 mill. to Greek buyer.

"ADITI"
29,998/90 - MINAMI - B&W 9,060 - COATED - COILED - SBT - IGS - COW - SH
Sold for $10 mill. to undisclosed buyer.

"BROVIG FJORD"
12,800/06 - SAMHO - B&W 6,060 - COILED - DH - IMO 2/3
Sold for $27.5 mill. each to Greek buyer (Elmira). Old sale.

"CENTRAL SUCCESS"
9,093/83 - HIGAKI - MIT 6,000 - COATED - COILED - SBT - DB - 2,883 LDT
Sold for $4.5 mill. to Indonesian buyer.

2 X "KGS NB RESALE"
5,500/12-07 & 03-08 - CELIKTEKNE
Sold for $16 mill. each to Danish buyer (Erria).

May 11, 2007 / Week

Sales

"PACIFIC STAR NB RESALE"
306,000/3-08 - DAEWOO - DH
Sold for $117.5 mill. to Japanese buyer (MOSK).

"SAVOIE"
306,430/93 - NIPPON KOKAN - SUL 35,000 - COATED - COILED - SBT - IGS - COW - DH
Sold for $82.5 mill. to U.K. buyer (Capital Finance). Vessel then fixed to Korean Line for 7 years at $39,000/day with profit share.

"SITEAM SATURN"
45,831/87 - SANNOYAS - B&W 8,800 - COATED - COILED - SBT - IGS - COW - DH
Sold for $18.5 mill. to undisclosed buyer.

"KGS NB RESALE"
9,900/04 - FUKUOKA - B&W 5,302 - COILED - SBT - IGS - COW - SH
Sold for $26 mill. each to undisclosed buyer. Sale includes a 7 year bb back at undisclosed rate.

"LYDIAN"
5,600/07/08 - TURKEY - ALPHA 4,080 - COATED - IMO 2 - DH
Sold for $32 mill. 'en bloc' Danish buyer (Erria).

"YUSEI MARU"
5,291/89 - KANREI NARUTO - HAN 3,300 - COATED - SBT - IGS - COW - DB
Sold for $3.3 mill. to Malaysian buyer.

LPG - "SEA BIRD II"
3,034/96 - SHIN KURUSHIMA - AKA 3,300 - 3,518 CBM
Sold for $8.5 mill. to Greek buyer (Stealthgas).

Newbuilding Contracts

No. Size Type Yard Delivery Price (mill) Owners Comm.
2 x 74,200 dwt Prod STX 2009 $68 Formosa Plastics
2 x 47,000 dwt Prod Onomichi 2011 Formosa Plastics
2 x 46,000 dwt Prod Jiangdong 2009 Nangjing Tanker Chemical
2 x 40,000 dwt Chem SLS 2009 $44 Ionia Management
2 x 13,000 dwt Chem Jinse 2008 $23.6 Eitzen Group

India

"BERGE ARROW" - LPG 48,824/78 - 21,000 LDT - USD 455.00/LDT

Demolition

India

"BERGE ARROW" - LPG 48,824/78 - 21,000 LDT - USD 455.00/LDT
“GAS AL BURGAN” - LPG 47,471/79 - 19,870 LDT - USD 404.00/LDT as is
Fujairah - net of commissions

May 18, 2007 / Week

Sales

“SAMSUNG 1682”
“SAMSUNG 1683”
114,760/09 - SAMSUNG - B&W 18,436 - COILED - SBT - IGS - COW - DH
Sold for $147 mill. 'en bloc' to Greek buyer (Minerva).

“SPP TONGYEONG H1013”
50,100/07 - SPP TONGYEONG - DH
Sold for $51.5 mill. to German KG buyer.

“JUNIPER”
“JASMINE”
47,400/02 - ULJANIK - B&W 11,640 - COATED - COILED - SBT - IGS - COW - DH
Sold for $49 mill. each to Greek buyer (Vafias). Sale includes 8 year bb at $13,500/day.

“HIGH TRUST”
45,937/04 - SHIN KURUSHIMA - B&W 12,800 - COILED - SBT - IGS - COW - DH
Sold for $31.8 mill. to Italian buyer, (exercised purchase option).

“FORMOSA FIVE”
35,672/91 - SHIN KURUSHIMA - MIT 12,300 - COATED - COILED - SBT - IGS - DH - IMO 2/3
Sold for $23.5 mill. to undisclosed buyer.

NEWBUILDING CONTRACTS

No. Size Type Yard Delivery Price (mill) Owners Comm.
3 x 306,000 dwt Vlcc Daewoo 2010/11 $139 TMT Co., Ltd.
2 x 157,000 dwt Tank Samsung 2010/11 D’Amico
5 x 36,200 dwt Prod H. Mipo 2010 $46 National Iranian
1 x 25,500 dwt Chem Daesun 2009 $35 N. Moundreas
4 x 13,000 dwt Chem 27C 2009/10 Sinochem Shpg.
6 x 13,500 dwt Chem STX 2009/10 Munchmeyer
2 x 4,710 dwt Chem C. Deniz 2007/8 $16 Erria A/S
2 x 22,500 cbm Lpg Hyundai 2010 $52 Naftomar

DEMOLITION:

INDIA
“HAVFRU” - LNG 22,041/73 - 11,192 LDT - USD 550.00/LDT (includes 600 tns aluminum)

May 25, 2007 / Week

Sales

“BERGE STADT”
306,951/94 - SUMITOMO - SUL 35,000 - COILED - SBT - IGS - COW - DH
Sold for $36 mill. to Norwegian KS buyer. Sale includes 7.5 year BB back at $31,750/day.

“TATAKI”
244,275/93 - IHI - SUL 27,228 - COILED - SBT - IGS - COW
Sold for $42 mill. to Chinese buyer (Hosco). Sold for conversion to VLOC.

“TROMSO RELIANCE”
“TROMSO TRUST”
154,970/91 - HYUNDAI - B&W 20,940 - COILED - SBT - IGS - COW - DH
Sold for $48 mill. each to undisclosed buyer.

“ARTEAGA”
“BUTRON”
147,067/90 - SPAIN - B&W 20,939 - COATED - SBT - IGS - COW
Sold for $27 mill. each to undisclosed buyer.

“ST. CLEMENS”
47,131/00 - ONOMICHI - B&W 11,640 - COILED - SBT - IGS - COW - DH
Sold for $38.5 mill. to German KG buyer (Purchased option declared).

“LEONID UTESOV”
“KHURG VISHNEVSKYI”
“VLADIMIR VYSOTSKIY”
“ILYA ERENBURG”
16,000/89/88/88/87 - 3 MJ - 2X PIEL 7,800 - COATED - COILED - SBT - IGS - DB
Sold for $28 mill. 'en bloc' to undisclosed buyer.

“NAUTILUS”
7,030/91 - NETHERLANDS - NORMO 2,991 - COILED - SBT - IGS - COW - DH
Sold for $13 mill. to Greek buyer (Aegean Marine).

Newbuilding Contracts

Chemical

6+2 45,000 dwt SLS 2009/11 $51 Dannebrog Rederi 20 tanks
1 x 3,600 dwt Chem Chuangdong 2009/10 $9.5 Vroom

Demolition

Bangladesh
M/T “ORESTIS” - 81,283/82 - 16,444 LDT - USD 527.00/LDT - (Pre budget, budget is June 15th)
India
M/T “AL MAHAD” - 48,882/82 - 9,090 LDT - USD 485.00/LDT
M/T “AL SAFANIYA” - 48,882/82 - 9,038 LDT - USD 485.00/LDT

June 1, 2007 / Week

Sales

“VENUS GLORY”
“MARS GLORY”
299,089/00 - DAEWOO - SUL 36,960 - COILED - SBT - IGS - COW - DH
Sold for $118.75 mill. each to Norwegian buyer (Blystad).

“EAGLE”
284,493/93 - SUMITOMO - SUL 28,000 - COILED - SBT - IGS - COW - DH
Sold for $75 mill. to Greek buyer (Angelicoussis). Sale includes 11.5 year t/c back at $37,000/day.

“EASTERN FORTUNE”
277,020/89 - HHI - B&W 25,580 - COILED - SBT - IGS - SH
Sold for $40 mill. to undisclosed buyer.

“Yannis P”
“GEORGIOS S”
159,924/02/01 - DAEWOO - B&W 25,230 - COILED - SBT - IGS - COW - DH
Sold for $89 and $86 mill. respectively to Greek buyer.

“STAINLESS”
“NOISELESS”
143,750/92/92 - SAMSUNG SB/HI - B&W 20,940 - COILED - SBT - IGS - COW - DH
Sold for $208 mill. 'en bloc'.

“LIMITLESS”
“ENDLESS”
136,055/93/92 - BRAZIL - SUL 21,000 - COILED - SBT - IGS - COW - DH
Vessels were repurchased by Top Tankers for $208 mill. ‘en bloc’.

“GAETANO D ALESIO”
99,320/91 - DALIAN - B&W 13,800 - COATED - SBT - IGS - COW - DH
Sold for $35 mill. to Greek buyer.

“SEMANKAU SPIRIT”
97,172/88 - KOYO MIHARA - B&W 11,730 - SBT - IGS - COW - DS - 19,267 LDT

“LA ROUX”
48,238/84 - KAWASAKI - B&W 9,000 - COATED - SBT - IGS - COW - DS - 13,892
LDT
Sold for $13 mill. to undisclosed buyer.

“TEAM ACTINIA”
40,296/93 - CROATIA - B&W 11,928 - COILED - SBT - IGS - COW - DB
Sold for $20 mill. to Danish buyer (Elizen).

LPG “HYUNDAI MIPO 8005/8007/8009”
23,200/08/09/09 - HYUNDAI MIPO - 20,550 CBM
Sold for $200 mill. to Danish buyer (Eitzen).

LPG “SIGAS YARROW”
7,850/82 - NORWAY - MAK 3,650 - 6,568 CBM
Sold for $7 mill. to Danish buyer (Navigator).

“SICHEM CAMARON”
7,650/83 - SPAIN - B&W 4,900 - COATED - COILED - SBT - IGS - COW - DB
Sold for $3.2 mill. to undisclosed buyer.

Newbuilding Contracts
Tankers
1 x 310,000 dwt Vlcc Mitsui 2009 Nissan Kaijun
1 x 168,000 dwt Tank H. Samho 2010 Liquimar
1 x 163,000 dwt Tank New Times 2010 $72.5 Brokerage+Mgmt.

Products
2 x 50,500 dwt Prod Guangzhou 2009 OMC S.A.
3 x 37,000 dwt Prod Constanza 2009 Histria
2 x 13,200 dwt Prod Krasnoye 2010 Palmali Shpg.
1 x 6,800 dwt Prod Fujian 2008 Global Energy

Chemical
2 x 20,000 dwt Chem ICDAS 2009 Celik
3 x 17,000 dwt Chem Samho 2008 $29 Blystad
6 x 13,000 dwt Chem STX 2009/10 MPC Capital
4 x 12,000 dwt Chem Daesun 2009/10 $27 Rigel Schiffsahrs
1 x 10,300 dwt Chem Dearsan 2009 Dearsan Gemi

LPG
1 x 150,000 cbm LPG Hyundai 2010 $61 Prime

Demolition
Bangladesh
M/T “ALLEGANCE” - 34,949/80 - 9,185 LDT - USD 525.00/LDT - Pre budget, budget is June 15th

June 8, 2007 / Week

Sales
“STAR OHIO”
143,750/92 - SAMSUNG - B&W 20,940 - COILED - SBT - IGS - COW - SH
Sold for $46.5 mill. to Greek buyer (Clients of Trade & Transport).

“MAERSK PRISTINE”
109,637/04 - DALIAN - SUL 21,128 - COILED - SBT - IGS - COW - SH
Sold for $57 mill. to Danish buyer.

“AGRARI”
63,032/84 - HITACHI - B&W 14,560 - COATED - COILED - SBT - IGS - COW - SH
Sold for $13.5 mill. to undisclosed buyer.

“TRANSMED NB RESALE - H1021+H1022”
50,100/09 - SPP TONGYEONG - MAN 10,960 - DH
Sold for $51.5 mill. to Greek buyer.

“SHAMROCK MOON”
10,303/97 - ASAKAWA - B&W 5,280 - ST. STEEL - COILED - SBT - IGS - COW - SH
Sold for $22 mill. to undisclosed buyer.

“SICHEM PALACE”
8,807/04 - USUKI - MAN 5,302 - COILED - SBT - IGS - COW - DH
Sold for $12.9 mill. to Danish buyer.

“BERNA SULTAN”
6,406/88 - SPAIN - WERK 4,250 - COATED - COILED - SBT - DB
Sold for $5 mill. to undisclosed buyer.

“MULTITANK IBERIA”
5,797/95 - RUSSIA - B&W 4,250 - COATED - SBT - IGS - COW - DB
Sold for $14.5 mill. to European buyer.

“WEST LYNDA”
3,020/81 - NORWAY - NORMO 1,970 - COATED - COILED - SBT - IGS - COW - DB
Sold for $2.2 mill. to Mumbai buyer.

NEWBUILDING CONTRACTS
Tankers
3 x 315,000 dwt Vlcc Waigaoqiao 2010 Ocean Tankers
2 x 114,800 dwt Tank Samsung 2010 Finaval

Bangladesh
M/T “BLUE RIVER” - 64,300/80 - 11,074 ldt - usd 497 (old sale)
“HAVDROTT” - LPG 43,386/78 - 15,500 ldt - usd 432 (old sale)
“MAHARSHI VISHWAMITA” - LPG 38,705/74 - 14,338 ldt - usd 458 "as is" Columbo

June 15, 2007 / Week

Sales
“ARDESHIR H BHIWANDIWALLA”
265,955/92 - MITSUBISHI - MIT 29,798 - COILED - SBT - IGS - COW - SH
Sold for $47 mill. to Sinokor.

“RUBY III”
244,651/90 - IHI - SUL 22,560 - COILED - SBT - IGS - COW - SH
Sold for $41 mill. to Chinese buyer (Hosco).

“FRONT HORIZON”
151,445/88 - DAEWOO - B&W 18,250 - COILED - SBT - IGS - COW - SH - 27,000 LDT
Sold for $28 mill. to undisclosed buyer.

“KAPSALI”
89,500/83 - POLAND - SUL 19,080 - COILED - SBT - IGS - COW - SH - 18,865 LDT
Sold for $10.5 mill. to Pakistan buyer (Tomini).

“NEW CENTURY NB RESALE”
73,000/07 - NEW CENTURY - B&W 15,350 - DH
Sold for $94 mill. to U.S. buyer. Sale includes 3 year t/c at $25,000/day.

“OBO NOBEL FORTUNA”
78,532/82 - HHI - B&W 15,400 - 9HA - COILED - SBT - IGS - COW - DB - 17,357 LDT
Sold for $18.5 mill. each to German buyer (Oldendorff).

“SAETTA”
62,488/84 - ONOMICHI - B&W 13,000 - COATED - COILED - SBT - IGS - COW - DH
Sold for $13.5 mill. to undisclosed buyer. Sold ‘en bloc’ with ‘AGRARI’ (Reported last week).

“AKRITAS”
44,999/90 - DAEWOO - B&W 15,906 - 9HA - COILED - SBT - IGS - COW - DS
Sold for $19.6 mill. to U.S. based buyer.

“MAERSK RAMSEY”
“MAERSK RYE”
34,656/04 - DALIAN - B&W 9,000 - COILED - SBT - IGS - COW - DH
Sold for $43 mill. each to Libyan buyer.

“CHEM ADRIATIC”
6,721/84 - TAIHEI - B&W 4,068 - COATED - COILED - SBT - IGS - IMO 2/3 - DB
Sold for $3 mill. to Greek buyer.

LPG “CHEVIOT”
3,940/97 - KANREI - B&W 3,270 - 3,312 CBM - DS
Sold for $9.75 mill. to Greek buyer. Sale includes t/c until 08/07 at undisclosed rate.

NEWBUILDING CONTRACTS

<table>
<thead>
<tr>
<th>No.</th>
<th>Size Type</th>
<th>Yard</th>
<th>Delivery</th>
<th>Price (mill)</th>
<th>Owners Comm.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>157,000 dwt Tank</td>
<td>Samsung</td>
<td>2010</td>
<td>$61.5</td>
<td>Pertamina</td>
</tr>
<tr>
<td>1</td>
<td>114,700 dwt Tank</td>
<td>Samsung</td>
<td>2011</td>
<td>$70</td>
<td>Int. Andromeda Shpg</td>
</tr>
<tr>
<td>2</td>
<td>50,000 dwt Prod</td>
<td>SPP</td>
<td>2010</td>
<td>$43.75</td>
<td>Navig8 Tr.</td>
</tr>
<tr>
<td>4</td>
<td>46,000 dwt</td>
<td>Jiangsu</td>
<td>2010</td>
<td>$70</td>
<td>China Shpg. Tankers</td>
</tr>
<tr>
<td>5</td>
<td>37,000 dwt Prod</td>
<td>Hyundai Mipo</td>
<td>2010/11</td>
<td>$44.2</td>
<td>Omega Navigation</td>
</tr>
<tr>
<td>2</td>
<td>16,000 cbm LPG</td>
<td>Yangzhou Dayang</td>
<td>2010</td>
<td>$50</td>
<td>Naftomar Shpg</td>
</tr>
</tbody>
</table>

Demolition
Bangladesh
M/T “NAND HARI” - 19,604/81 - 5,304 LDT - USD 510/LDT (as is Visag)

June 22, 2007 / Week

Sales

“STEMNITSA”
147,092/00 - SAMSUNG HI - MAN B&W 20,940 - COILED - SBT - IGS - COW - DH
Sold for $88.5 - 89 mill. to Indian buyer (Great Eastern).

“SPP 1010”
50,100/07/06 - SPP - SUL 12,940 - COATED - COILED - DH - IMO 3
Sold for $105 mill. ’en bloc’ to Greek buyer (Stealth Maritime). Sale includes a 5-year t/c to Glencore at $19,500/day.

“TRITON”
7,261/78 - KURINOURA - HAN 4,499 - COATED - COILED - DB - IMO 2/3
Sold for $2.1 mill. to Nigerian buyer.

NEWBUILDING CONTRACTS

No. Size Type Yard Delivery Price (mill) Owners Comm.
1 x 85,000 dwt Tank Jiangsu 2010 $61.5 Pertamina
1 x 50,000 dwt Prod Bach Dang 2009/10 $52 D. Reederei
2+2 13,000 dwt Prod 21st Century 2010 Primera

Demolition
Pakistan
M/T “KIRUK” - 35,338/72 - 8,770 LDT - USD 400/LDT (as is Dubai)

June 29, 2007 / Week

Sales

“DISCOVERY”
164,533/03 - HHI - B&W 25,230 - COILED - IGS - DH
Sold for $90 mill. ‘en bloc’ to undisclosed buyer.

“UNICORN”
152,250/02 - HHI - B&W 25,230 - COILED - IGS - DH
Sold for $100 mill. ‘en bloc’ to undisclosed buyer.

“UQBA IBN NAFI”
42,825/85 - DAEWOO - SUL 11,200 - COATED - ZINC - IMO 3 - 12,989 LDT - DB
Sold for $12 mill. to Greek buyer.

“SAD SAMUDRA”
37,087/93 - ISHIKAWAJIMA - SUL 10,000 - COILED - SBT - IGS - COW - SH
Sold for $19 mill. each to Greek buyer.

“PANCA SAMUDRA”
34,656/04 - DALIAN - B&W 9,000 - COILED - SBT - IGS - COW - DH
Sold for $43 mill. each to Libyan buyer.

“STEN TOR”
13,864/99 - JIANGNAN - B&W 7,200 - COATED - DH - IMO 2
Sold for $24 mill. each to Greek buyer. Sale includes a 2-year BB back at $9,000/day.

“STEN EMBLA”
13,780/99 - JIANGNAN - B&W 7,200 - COATED - DH - IMO 2
Sold for $24 mill. each to Greek buyer. Sale includes a 2-year BB back at $9,000/day.

“SAMHO CYGNUS”
8,509/03 - SASKI KIONE - B&W 5,700 - COATED - COILED - SBT - IMO 2/3 - DH
Sold for $40 mill. ‘en bloc’ to Norwegian buyer. Sale includes BB charter until 2014.

LPG “ULLSWATER”
7,678/96 - ASAKAWA - B&W 5,700 - 7,223 CBM
LPG “GRASMERE”
7,638/97 - ASAKAWA - B&W 6,160 - 6570 CBM
LPG “WINDERMERE”
7,046/95 - ASAKAWA - B&W 5,700 - 7,223 CBM
Sold for $42 mill. ‘en bloc’ to Monaco based buyer. Sale includes t/c up to 3 years.

Newbuilding Contracts

Tankers
2 x 157,000 dwt Tank Samsung 2011 D’Amico, Fratelli
1 x 114,700 dwt Tank Samsung 2011 $70 Int. Andromeda Shpg

Products
4 x 50,000 dwt Dubai Drydocks 2009 $43.75 Navig8
2 x 46,000 dwt Jiangsu 2010 China Shpg. Tankers
5 x 37,000 dwt Hyundai Mipo 2010/11 $44.2 Omega Navigation

LPG
2 x 16,000 cbm LPG Yangzhou Dayang 2010 $50 Naftomar Shpg & Tr.

July 6, 2007 / Week

Sales

“MINERVA NOUNOU”
147,450/00 - SAMSUNG HI - MAN / B&W 20,940 - COILED - SBT - IGS - COW - DH
Sold for $88.5 mill. to Indian buyer (Great Eastern).

“NORDIC HANNE”
83,970/87 - DENMARK - B&W 10,900 - COATED - SBT - IMO 2/3 - DH
Sold for $22 mill. to undisclosed buyer.

“ALAM CERGAS”
35,000/07 - DALIAN - B&W 11,639 - COATED - SBT - IMO 3 - DH
Sold for $36.5 mill. to Malaysian buyer (MBC).

“DIAMONTEC”
“RAINBOWTEC”
13,396/07 - CHINA - PIEL 5,100 - COATED - SBT - IMO 2/3 - DH
Sold for $18 mill. each to Swedish buyer (Stena Bulk).

“VALE”
13,022/06 - S. KOREA - B&W 6,060 - COILED - IMO 2/3 - DH
Sold for $30 mill. to Danish buyer (Nordic Tankers).

Newbuilding Contracts
Tankers

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>x 316,000 dwt</td>
<td>Tank Hyundai</td>
<td>2010 TMT Co Ltd.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>x 300,000 dwt</td>
<td>Tank Dalian</td>
<td>2010/11</td>
<td>$116 China Merch. Steam</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>x 159,000 dwt</td>
<td>Tank Hyundai</td>
<td>Samho 2010 IranoHind Shpg.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>x 158,000 dwt</td>
<td>Tank HHI</td>
<td>20010/11</td>
<td>$86 Sun Enterprises</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Products

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>x 51,000 dwt</td>
<td>Prod SPP</td>
<td>2009 Hellenic Star Shpg.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>x 51,000 dwt</td>
<td>Prod SLS 2010 ST Shipping</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Chemical

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>x 50,100 dwt</td>
<td>Chem S. Korea</td>
<td>2010/11</td>
<td></td>
<td>Byzantine Maritime</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>x 19,200 dwt</td>
<td>Chem Jiangnan</td>
<td>2010 $36 Stenersen A/S</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Demolition

Bangladesh

M/T “AEGEAN TRADER” - 31,374/ 80 - 7,676 LDT - USD 540/LDT

July 13, 2007 / Week

Sales

2 X “UNIVERSAL” RESALES
160,000/07 - UNIVERSAL - SUL 22,000 - COILED - SBT - IGS - COW - DH
Sold for $106 mill. each to Greek buyer.

“LMZ ARTEMIS”

“LMZ AFRODITI”

“LMZ NEFELI”

“LMZ NAFA’SKA”
69,300/04/05/05/06 - DAEWOO - B&W 14,000 - COATED - COILED - SBT - IGS - COW - DH
Sold for $260 mill. ‘en bloc’ to Greek buyer (Eletson).

“SALAMIS”
20,060/82 - UWAJIMA - MIT 7,000 - COATED - COILED - SBT - IGS - COW - IMO 3 - DH
Sold for $7.8 mill. to undisclosed buyer.

2 X “SOLI” RESALES
19,900/08
Sold for $40 mill. each to Italian buyer.

NEWBUILDING CONTRACTS

No. Size Type Yard Delivery Price (mill) Owners Comm.
2 x 158,000 dwt Tank HHI 2010/11 Livanos | $83 Jebsen
4 x 116,000 dwt Prod SLS 2009/10 $53.75 Berhand
8 x 45,000 dwt Prod Chem SLS 2010 $53.33 Nat. Chemical
6 x 13,100 dwt Prod Chem Jins H.I. 2009 $22.8 Lorentzens
3 x 9,000 dwt Prod Chem Naval Gijon 2009 Finbeta
8 x 8,800 dwt Prod Sekwang 2009/11 Sekwang Shpg.
1 x 8,000 dwt Prod Chem Pendik 2009 Denizcilik
1 x 7,000 dwt Prod Chem Dearsan 2008 Marnavi
5 x 5,500 dwt Prod Chem Ihlung 2009 Seongho Shpg.

July 20, 2007 / Week

“YAHIKO MARU”
259,490/91 - MITSUI CHIBA - B&W 22,690 - SBT - IGS - COW - SH
Sold for $38.5 mill. to Taiwanese buyer (TMT).

NEWBUILDING CONTRACTS

No. Size Type Yard Delivery Price (mill) Owners Comm.
2 x 165,000 dwt Tank H. Samho 2010 Metrostar | $83 Jebsen
1 x 159,000 dwt Tank H. Mipo 2010/11 $50 J. Lauritzen
6 x 50,500 dwt Prod Guangzhou 2010/11 $50 to OSG at $25,000/day.
4 x 47,000 dwt Prod H. Mipo 2010/11 ST Shipping | $86 Sun Enterprises
2 x 13,000 dwt Prod STX 2009 MPC Munchmeyer
6 x 2,000 cbm LPG Sasaki 2011 $14.2 Itzen Group

DEMOLITION:

INDIA

M/T “PRADERA” - 3,338/76 - 1,339 LDT usd 1,250/LDT with abt 140 tons solid SS

M/T “ACRUX” - 3,434/70 - 1,378 LDT usd 1,250/LDT with 200 tons of solid SS enbloc sale with about 12.5 percent (to LDT) of solid Stainless

July 27, 2007 / Week

Sales

“OKINOSHIMA”
262,945/93 - IHI - SUL 27,220 - COILED - SBT - IGS - COW - SH
Sold for $48 mill. to Chinese buyer (HOSCO). For conversion.

“BESIKTAS”
164,626/01 - HYUNDAI HI - B&W 25,320 - COATED - COILED - SBT - IGS - COW - DH
Sold for $92.5 mill. to German buyer (Koneig). Sale includes a 10 year to OSG at $25,000/day.

“PRINCESS MARINA”
82,830/86 - DENMARK - B&W 10,900 - COATED - COILED - SBT - IGS - COW - DH
Sold for $19 mill. to undisclosed buyer.

LPG “KENDAL”
8,600/03 - ASAKAWA - B&W 8,130 - 11,000 CBM
Sold for $28 mill. to undisclosed buyer.

“WASEELA 3”
6,200/06 - DUBAI - 2 X YANMAR 2,000 - COILED - SBT - IGS - COW - DH
Sold for $12.8 mill. to European buyer.

NEWBUILDING CONTRACTS

No. Size Type Yard Delivery Price (mill) Owners Comm.
2 x 50,500 dwt Prod Guangzhou 2010 $47 Valles Steamship
2 x 40,000 dwt Prod SLS 2010 Ionia
3 x 16,500 dwt Prod Jiangzhou 2009 Sloman Neptune
5 x 13,300 dwt Prod Sekwang 2008/9 Sekwang Shpg.
1 x 22,500 cbm LPG HHI 2010 $53 Naftomar

Bangladesh

M/T “UNITED ENDURANCE” - 88,825/89 - 20,794 LDT - USD 563/LDT

August 3, 2007 / Week

Sales

“SUNRISE”
264,165/93 - MITSUBISHI NAGASAKI - MIT 36,462 - COILED - SBT - IGS - COW - SH
Sold for $48 mill. to Far East buyer.

“HAN-EI”
259,999/94 - ISHIK. KURE - SUL 27,270 - COILED - SBT - IGS - COW - SH
Sold for region $50 mill. to Singaporean buyer (Tanker Pacific).

“NAVARINO”
248,965/86 - HITACHI NAGASU - B&W 23,010 - SBT - IGS - COW - SH
Sold for $30.5 mill. to undisclosed buyer.

“LOCHNESS”

“GLENROSS”
90,607/93 - POLAND - SUL 13,500 - COILED - SBT - IGS - COW - DH
Sold for $42 mill. each to US based buyer. Sale includes a 3-year t/c to A.E.T. at $26,000/day.

“BESIKTAS ENGLAND”

“BESIKTAS NORLAND”
18,000/07 - TURKEY - MAK 7,500 - COATED - COILED - DH
Sold for $40 mill. each to Danish buyer.

“HIGHLAND”
7,800/07 - TURKEY - MAK 5,150 - COATED - COILED - IGS - DH
Sold for $23 mill. each to Danish buyer (O.W. Bunkers).

Newbuilding Contracts
Products
2 x 47,000 dwt H. Mipo 2011 Cido Shpg.
2 x 36,400 dwt H. Mipo 2009/10 Cido Shpg.
4 x 16,500 dwt Jiangzhou 2010 $27 B. Schulte

Chemical
4 x 8,400 dwt Eregli 2009 Med Marine Towage
3 x 6,500 dwt Rushan 2010 Erria A/S

August 10, 2007 / Week
Sales

“NEW FRONTIER”
285,933/92 - DAEWOO SB/HM - B&W 31,920 - COILED - SBT - IGS - COW - SH
Sold for $46 mill. to undisclosed buyer.

“SHINYO CLIPPER”
243,870/92 - HITACHI - B&W 24,570 - COILED - SBT - IGS - COW - DS
Sold for $48 mill. to A.E.T.

“ANAND SEA”
224,738/81 - TAIWAN - SUL 30,600 - IGS - COW - SH - 32,586 LDT
Sold for $26.5 mill. to undisclosed buyer.

“DALISIA”

“DAVINIA”

“DANIA”

“DALMATIA”

“AHRENKIEL RESALE”
73,400/07 - NEW CENTURY - MAN-B&W 15,350 - DH
Sold for $70 mill. each to Greek buyer.

“MERYON PARK”
41,354/93 - MINAMI NIPPON USUKI - B&W 12,750 - COATED - COILED - IGS - DH - IMO 2/3
Sold for $33 mill. to Greek buyer.

“SOUTHERN DRAGON”
9,195/85 - FUKUOKA - MIT 4,409 - COATED - COILED - DB - IMO 2/3
Sold for $5.1 mill. to Far East buyer.

Newbuilding Contracts
Tankers
2 x 114,000 dwt New Times 2011 $68 Kawasaki Kisen

Products
1 x 115,000 dwt New Times 2011 $67.5 Ionia Management

August 17, 2007 / Week
Sales

“GLENBULK A”
97,179/87 - POLAND - SUL 20,380 - 9 HH - COATED - COILED - SBT - IGS - COW
Sold for $29 mill. to Chinese buyer (Hosco).

“NANIWA MARU NO 48”
4,999/91 - S.K. IMABARI - HAN 4,500 - COATED - SBT - DB
Sold for $4.2 mill. to Middle Eastern buyer.

LPG “GAZ ENERGY”
50,743/90 - MITSUBISHI NAGASAKI - MIT 16,800 - 78,478 CBM
Sold for $50.5 mill. to S. Korean buyer (Korea Line Corp).

“OHMINESAN MARU”
5,321/85 - FUKUOKA - MIT 2,040 - COATED - SBT - DB
Sold for $3 mill. to Far Eastern buyer.

LPG “MEI WEN TI”
4,000/07 - CHINA - CHIN. STD TYPE 2,800 - 3,200 CBM
Sold for $14.8 mill. to Chinese buyer.

“TINA JAKOBSN”
3,600/80 - GERMANY - MAK 3,000 - COILED - DS - IMO 2/3
Sold for $3.5 mill. to undisclosed buyer.

Newbuilding Contracts
Tankers
1 x 114,000 dwt New Times 2011 $68 Kawasaki Kisen

Products
4 x 74,000 dwt STX 2010 $63 Prime Marine

Chemicals
1 x 25,000 dwt Kitanihon 2011 Shinwan Kaisen

August 24, 2007 / Week
Sales

“HAWK I”
62,654/82 - MITSUI CHIBA - B&W 15,200 - COILED - SBT - IGS - COW - SH - 14,223
CHARLES R. WEBER TANKER REPORT  S&P REVIEW: 08

www.crweber.com

LDT
Sold for $7.3 mill. to Chinese buyer.

“STOLT DORSET”
19,299/97 - SPAIN - B&W 9,700 - COILED - SBT - IGS - DH

“STOLT KENT”
19,125/98 - SPAIN - B&W 9,700 - COILED - SBT - IGS - DH
Sold for $68 mill. ‘en bloc’ to Singapore based buyer (BW Shipping).

“PACIFICATOR”

“SPECTATOR”
13,022/07 - INP - MAN/B&W 6,060 - COATED - DH - IMO 2
Sold for $30 mill. each to German KG buyer. (Old sale).

“PETRO DISCOVERER”
3,283/86 - SHITANOE - AKA 1,800 - COATED - COILED - DB - IMO 2/3
Sold for $2 mill. to undisclosed buyer.

NEWBUILDING CONTRACTS
No. Size Type Yard Delivery Price (mill) Owners Comm.
4 x 159,000 dwt Tank HHI 2011 Marmaras
4 x 110,000 dwt Tank Hyundai 2011 Shpg Corp of India
4 x 49,700 dwt Prod SLS 2011 $50.6 Ocean Tankers

Demolition
Bangladesh
M/T “PETROCOM”  - FSO 81,274/79 - 15,100 LDT - USD 535/LDT ‘as is’

Singapore
August 31

Sales
“ORPHEUS ASIA”
274,990/90 - ISHIKAWAJIMA KURE - SUL 27,520 - SBT - IGS - COW - SH
Sold for $41 mill. to Greek buyer (Akron).

“DONGOLA”
39,350/95 - ROMANIA - B&W 11,393 - SBT - IGS - COW - DB
Sold for $19 mill to Far Eastern buyer.

“PACIFIC AMBASSADOR”
28,840/96 - RUSSIA - B&W 10,800 - COATED - COILED - DH - IMO 3

“INDIAN AMBASSADOR”
28,840/96 - UKRAINE - B&W 10,800 - COATED - COILED - DH - IMO 3

“ATLANTIC AMBASSADOR”
33,425/98 - UKRAINE - B&W 10,799 - COATED - COILED - DH - IMO 3
Sold for $89 mill. ‘en bloc’ to Norwegian buyer (ABG). Sale includes BB charter for 10 years at undisclosed rate.

“BEFFEN”
19,700/07 - FUKUOKA - MAN&B&W 8,361 - FULLY ST. STEEL - DH
Sold for $50 mill. to Greek buyer. Sale includes BB charter for 3 years at $17,000/day.

“ARION”
11,867/80 - KUR.YAWATAHAMA - MITSUBISHI 6,200 - COATED - COILED - DB - IMO 2/3
Sold for $4.45 mill. to undisclosed buyer.

“LS ANNE”
3,500/04 - TURKEY - MAN&B&W 2,774 -COATED - COILED - DH - IMO 2
Sold for $10.8 mill. to Norwegian buyer.

NEWBUILDING CONTRACTS
No. Size Type Yard Delivery Price (mill) Owners Comm.
1 x 2,500 cbm LPG Sasaki 2011 $14.2 Eitzen, Camilo

“TITAN VIRGO”
299,999/93 - DAEWOO - B&W 31,920 - COILED - SBT - IGS - COW - DH
Sold for $90 mill. to Dutch buyer (Bluewater).

“LUCKY SAILOR”
146,387/89 - KAWASAKI - B&W 17,588 - COILED - SBT - IGS - COW - SH
Sold for $30 mill. to Chinese buyer (for conversion).

“UNITED DYNAMIC”
140,565/90 - SPAIN - B&W 18,306 - COILED - SBT - IGS - COW - SH
Sold for $28.25 mill. to Dubai buyer (ETA).

“BERANA”
83,890/85 - DENMARK - B&W 10,900 - COATED - SBT - IGS - COW - DH
18,731 LDT.
Sold for $19 mill. to undisclosed buyer.

LPG “BERGE SPIRIT”
55,173/80 - FINLAND - SUL 23,447 - 75,683 CBM
Sold for $15 mill to Benelux based buyer.

“NORD SEA”
45,987/03 - SHIN KURUSHIMA - B&W 12,889 - COATED - COILED - SBT - IGS - DH
Sold for $49 mill. to German KG buyer. Sale includes t/c back for 5 years at $22,500/day (Old sale).

“NORD SOUND”
45,975/03 - SHIN KURUSHIMA - B&W 12,890 - COATED - COILED - SBT - IGS - DH
HN “NORD STRAIT”
45,934/04 - SHIN KURUSHIMA - B&W 12,890 - COATED - COILED - SBT - IGS - DH
Sold en bloc for $104 mill. to German buyer (Koenig).

“LONGOBA”
10,000/92 - SINGAPORE - WARTSILA 5,017 - COATED - COILED - DB - IMO 2/3
Sold for $11 mill. to Far East buyer. Sale includes t/c back for 3 years at undisclosed rate.

“SATITTARA”
7,088/84 - HIGAKI- MITSUBISHI 3,315 - COATED - COILED - SBT - DB - IMO 3
Sold for $2.5 mill. to Nigerian buyer.

“NARCEA”
4,700/06 - TURKEY - MAK 3,916 - COATED - COILED - DH - IMO 2/3
Sold for $18 mill. to undisclosed buyer.

“SAMHO PHOENIX”
3,346/04 - SAMHO TONGYOUNG - MAN/B&W 3,000 - ST. STEEL - DH - IMO 2
Sold for $11 mill. to Philippines based buyer.

LPG “FOUNTAIN GAS”
3,175/97 - SHITANOE - AKASAKA 3,000 - 3,214 CBM
Sold for $10.5 mill. to Greek buyer.

NEWBUILDING CONTRACTS
No. Size Type Yard Delivery Price (mill) Owners Comm.
1 x 295,000 dwt Vlcc Dalian 2011 China Merchants
2 x 156,000 dwt Tank Jiangsu Rong 2009/11 Geden Line
4 x 73,500 dwt Prod SPP 2010/11 Overseas Shipholding (OSG)

Demolition
Bangladesh
M/T “WINOTO UDANG NATUNA”  - 38,078/75 - 6,959 LDT - USD 470/LDT ‘as is’ Indonesia

September 7

Sales

“INDIAN AMBASSADOR”
28,840/96 - UKRAINE - B&W 10,800 - COATED - COILED - DH - IMO 3

“ATLANTIC AMBASSADOR”
33,425/98 - UKRAINE - B&W 10,799 - COATED - COILED - DH - IMO 3
Sold for $89 mill. ‘en bloc’ to Norwegian buyer (ABG). Sale includes BB charter for 10 years at undisclosed rate.

“BEFFEN”
19,700/07 - FUKUOKA - MAN&B&W 8,361 - FULLY ST. STEEL - DH
Sold for $50 mill. to Greek buyer. Sale includes BB charter for 3 years at $17,000/day.

“ARION”
11,867/80 - KUR.YAWATAHAMA - MITSUBISHI 6,200 - COATED - COILED - DB - IMO 2/3
Sold for $4.45 mill. to undisclosed buyer.

“LS ANNE”
3,500/04 - TURKEY - MAN&B&W 2,774 -COATED - COILED - DH - IMO 2
Sold for $10.8 mill. to Norwegian buyer.

NEWBUILDING CONTRACTS
No. Size Type Yard Delivery Price (mill) Owners Comm.

1 x 105,000 dwt Tank HHI 2011 $65 ST Shipping & Trading
12 x 25,000 dwt Prod Nantong Mingle 2010/12 Schulte Bernhard
1 x 10,500 dwt Chem Tersan Shipyard 2008 Lauranne Shipping
Bangladesh
M/T “RIZA” - 39,258/80 - 7,648 LDT - USD 590/LDT

September 14
Sales

“YIOMARAL”
302,433/93 - DAEWOO - SUL 35,455 - SBT - ISG - COW - DS
Sold for $78 mill. to undisclosed buyer.

“SARASOTA”
96,828/92 - NAMURA - SUL 12,260 - COILED - SBT - ISG - COW - DH
Sold for $45 mill. to Singapore based buyer (BW Offshore).

“DACIA”

“DANIA”

“DAVINIA”

“DALISIA”

“DALMATIA”
73,400/07 - NEW CENTURY - MAN/B&W 15,350 - COATED - COILED - SBT - ISG - COW - DH
Sold for $67.5 mill. each to Singapore based buyer (Ocean Tankers). “HSING YUN”
41,245/83 - CHINA - SUL 13,230 - COILED - SBT - ISG - COW - SH
Sold for $4.5 mill. to undisclosed buyer (as is).

NEWBUILDING CONTRACTS
No. Size Type Yard Delivery Price (mill) Owners Comm.
1x 115,000 dwt Tank Samsung 2011 Geden Lines
2 x 52,000 dwt Prod Hyundai Mipo 2011 TMT
3 x 50,500 dwt Prod Guangzhou 2010/11 Norden
1 x 7,900 dwt Chem Hyundai Mipo 2011 TMT

Bangladesh
M/T “REVOLUCION” - 21,702/75 - 6,313 LDT - USD 283/LDT - as is
Mexico
M/T “REFORMA” - 21,705/74 - 6,318 LDT - USD 240/LDT - as is

Demolition

Bangladesh
M/T “GORNOPRAVDINSK” - 17,725/76 - 7,400 LDT - USD 578/LDT

September 21, 2007 / Week
Sales

“OTTOMAN DIGNITY”
152,923/00 - HYUNDAI - B&W 20,900 - COILED - SBT - IGS - COW - DH
Sold for $91 mill. to Dubai based buyer (Med Oil).

“SAMAR SPIRIT”
98,640/92 / “MAYON SPIRIT” 98,507/92
ONOMICHI - B&W 16,070 - COILED - SBT - IGS - COW - DH
Sold for $40.25 mill. each to U.S. based buyer (Icon Leasing). Sale includes t/c back for unknown period at undisclosed rate. (Old sale)

“JAG LEHER”
107,592/86 - SAMSUNG - B&W 16,980 - COATED - COILED - SBT - IGS - COW - DB
Sold for $16 mill. to undisclosed buyer.

“ALEXANDRA PARK”
41,327/92 - MINAMI-NIPPON - B&W 12,750 - COATED - COILED - SBT - IGS - COW - IMO 2/3 - DH
Sold for $32.5 mill. to Greek buyer.
LPG “MARALUNGA”
LPG “FEZZANO”
15,970/93 / 92 - ITALY - SUL 9,644 - 16,664 CBM
Sold for $31.5 mill. each to MC/Petredec.

“LIQUID BEAUTY”

September 28, 2007 / Week
Sales

“TITIAN VIRGO”
299,999/93 - DAEWOO - B&W 31,920 - COILED - SBT - IGS - COW - DH
Sold for $91 mill. to Dubai based buyer (Med Oil).

“SEAMAGIC”
147,261/99 - SAMSUNG - B&W 20,940 - SBT - IGS - COW - DH
Sold for $86 mill. to Greek buyer.

2 x “SCHOELLER RESALES”
115,000/09 - NEW CENTURY - B&W 21,2003 - DH
Sold for $65 mill. each to US based buyer (OSG).

“JAG LABH”
96,551/88 - SUMITOMO - SUL 15,499 - COILED - SBT - IGS - COW - SH
Sold for $16 mill. to undisclosed buyer.

“EMERALD HILL”
70,887/91 - TSUNEISHI - MITSUBISHI 10,670 - COATED - SBT - IGS - COW - DS

“EMERALD BAY”
69,999/90 - HATHISHAMA ZOSEN - B&W 10,670 - COATED - SBT - IGS - COW - DS
Sold for $52.8 mill. en bloc to Chinese buyer for conversion. (Old sale).

“CAPE TAFT”

“CAPE TALAR”
73,400/09 - NEW TIMES - MAN/B&W 15,363 - DH
Sold for $62.5 mill. each to US based buyer (OSG).

“STENA CONQUEROR”

“STENA CONQUEST”

“STENA ITALICA”
47,000 / 03/03/04 - CROATIA - B&W 11,665 - COATED - COILED - IMO 2/3 - DH
Sold for $150 mill. en bloc to undisclosed buyer. Sale includes t/c for all three vessels as follows:
Stena Conqueror: on t/c until June/July 2008 at $14,675/day.
Stena Conquest: on t/c until October/November 2008 at $14,675/day.

www.crweber.com
Stena Italia: on t/c until July 2009 at $15,190/day.

LPG “CLIPPER SUN”
16,688/78 - FRANCE - SUL 14,400 - 21,738 CBM
Sold for $7.5 mill. to Greek buyer.

“ARIOANTA”
12,100/04 - UKRAINE - KRUPP MAK 5,221 - COATED - COILED - SBT - IMO 2 - DH
Sold for $28 mill. to undisclosed buyer. Sale includes bareboat back for 3 years at $9,000/day.

“ATTIKOS”
12,000/05 - FLUJAN BAIMA - B&W 6,060 - COATED - COILED - SBT - IMO 3 - DH
Sold for $23 mill. to Greek buyer. Sale includes t/c at $13,350/day.

“TANKOI”
6,242/83 - HIGAKI - MITSUBISHI 3,900 - COATED - COILED - IMO 3 - DB
Sold for $1.9 mill. to undisclosed buyer.

LPG “CONISTON”
4,801/91 - ASAKAWA - MITSUBISHI 4,200 - 4,002 CBM
LPG “LONGCHAMP”
4,316/99 - SHINHAMA ANAN - MITSUBISHI 3,300 - 3,207 CBM
LPG “MALVERN”
4,148/95 - KURINOURA YAWATAHAMA - MITSUBISHI 3,900 - 3,205 CBM
LPG “DAEUVILLE”
2,601/95 - KITANIHON - MITSUBISHI 3,600 - 3,516 CBM
LPG “AUTEUIL”
2,588/95 - KITANIHON - MITSUBISHI 3,600 - 3,516 CBM
Sold for $32 mill. enbloc to German buyer.

OBO “AUGUST OLDENDORFF”
78,488/82 - HYUNDAI H.I - B&W 15,400 - 9HH - 17,357 LDT
Sold for $20 mill. to Greek buyer. Sale includes t/c until June/July 2008 at $25,750/day.

Settlements

Pakistan
MT “BANDONDARI” - 91,821/93 - 19,709 LDT - USD 535/LDT - as is to Pakistan
Sold for $31 mill. to Chinese buyer (for conversion).

“TIWISI”
147,275/91 - SPAIN - B&W 29,772 - SBT - IGS - COLOW - SH
Sold for $30 mill. to Chinese buyer (HOSCO).

“SPIRIT II”
100,336/91 - ONOMICHI - B&W 17,850 - SBT - IGS - COLOW - SH
Sold for $29 mill. each to Chinese buyer (for conversion).

“EMERALD SKY”
70,894/88 - TSUNEISHI - MITSUBISHI 10,670 - COATED - SBT - IGS - DB
Sold for $20 mill. to Chinese buyer.

“MIKA M”
14,402/88 - INCHON - WARTSILA 4,975 - COATED - SBT - IGS - COLOW - DS
Sold for $20 mill. to Turkish buyer.

NEWBUILDING CONTRACTS
No. Size Type Yard Delivery Price (mill) Owners Comm.
1 x 160,000 dwt Tank Daewoo 2011 $116 Knutsen Ice 1A
2 x 14,000 dwt Prod Baima Shipyard 2009 $25 Capital Ship Mgmt.
2 x 13,000 dwt Prod Jinse 2008 $24 Eitzen

October 5

TANKERS:
2 x LPG “DAEWOO RESALES”
55,000/08 - DEAOwoo - 83,000 CBM
Sold for $91 mill. to undisclosed buyer.

“LIDONG”
50,500/07 - SPP - SUL 12,943 - COATED - COILED - IGS - IMO 2 - DH
Sold for $60 mill. to Chinese buyer.

“HIGH PRIORITY”
46,847/05 - NAKAI ZOSEN - B&W 12,889 - COATED - IGS - DH
Sold for $49 mill. each to undisclosed buyer.

“HIGH TRUST”
45,937/04 - SHIN KURUSHIMA - B&W 12,890 - COATED - IGS - DH
Sold for $29.2 & 31.8 mill. respectively to Italian buyer (D’Amico). Buyer exercised purchase options.

“COUNT”
42,861/80 - GERMANY - MAN 14,460 - COATED - COILED - SBT - IGS - COW - DB
Sold for $7.5 mill. to undisclosed buyer (for storage).

NEWBUILDING CONTRACTS
No. Size Type Yard Delivery Price (mill) Owners Comm.
2 x 159,000 dwt Tank Hyundai 2010 Primorsk Shpg.
2 x 14,000 dwt Prod Guangzhou 2010/11 $117 Aker American Shpg.
2 x 13,000 dwt Prod Jinse 2010 $7.5 mill. to Turkish buyer.

October 12

TANKERS:
“FRONT DUCHESS”
284,480/93 - HYUNDAI - B&W 29,772 - SBT - IGS - COLOW - SH
Sold for $56 mill. to European buyer (for conversion).

“TRIWATI”
147,275/91 - SPAIN - B&W 29,772 - SBT - IGS - COLOW - SH
Sold for $30 mill. to Chinese buyer (HOSCO).

“SANKI II”
100,336/91 - ONOMICHI - B&W 17,850 - SBT - IGS - COLOW - SH
Sold for $29 mill. each to Chinese buyer (for conversion).

“EMERALD SKY”
70,894/88 - TSUNEISHI - MITSUBISHI 10,670 - COATED - SBT - IGS - COW - DS
Sold for $20 mill. to Chinese buyer.

NEWBUILDING CONTRACTS
No. Size Type Yard Delivery Price (mill) Owners Comm.
1 x 51,000 dwt Prod STX 2010 E.T.A.
2 x 45,000 dwt Prod Aker 2010/11 $117 Aker American Shpg.
2 x 19,700 dwt Chem Sooli 2009 Suli Shipyard
2 x 17,000 dwt Prod Sekwag 2010 Seatramp
3 x 14,000 dwt Prod Shenglong 2009 $25 Capital Ship Mgmt.
2 x 13,000 dwt Prod Ilheung 2009 Sungwog
5 x 13,000 dwt Chem Pha Rung 2010 Iason Hellenic Shpg.
2 x 12,000 dwt Chem Tersan 2008 Lauranne Shpg.
2 x 8,700 dwt Chem Kwang Sung 2009 Daewoo Logistics
2 x 8,000 dwt Chem Nantong Mingde 2010 $19.5 Herning
3 x 160,000 cbm LNG Jinling 2011 Sonangola

Demolition

Pakistan
MT “CYNTHIA” - 10,039/71 - 3,420 LDT - USD 495/LDT
Sold for $31 mill. to Chinese buyer (for conversion).

“SEA LION”
97,002/91 - KOYO MIHARA - SUL 13,800 - COILED - SBT - IGS - COW - DS
Sold for $26.5 mill. to Chinese buyer.

“FORMOSA FOURTEEN”
45,400/05 - SHIN KURUSHIMA - MITSUBISHI 12,600 - COATED - SBT - IGS - DB
Sold for $20 mill. to Chinese buyer.

October 19

Sales

“ESPERANZA”
120,880/93 - MITSUI - B&W 19,000 - COILED - SBT - IGS - COW - SH
Sold for $20 mill. to Chinese buyer (for conversion).

“SEA LION”
97,002/91 - KOYO MIHARA - SUL 13,800 - COILED - SBT - IGS - COW - DS
Sold for $26.5 mill. to Chinese buyer.
Sold for $13.75 mill. to UAE based buyer (Fal Bunkering).

“BRITISH EXPERIENCE”

“BRITISH ENGINEER”

37,340/03 - HYUNDAI MIPO - B&W 12,870 - COATED - COILED - IGS - IMO III - DH

Sold for $46.25 mill. each to Cypriot buyer (Interorient). “GEORGY USHAKOV”

19,996/01 - RUSSIA - B&W 11,665 - COATED - COILED - SBT - IGS - COW - DH

“STEPAM MAKAROV”

15,885/97 - GERMANY - B&W 7,205 - COATED - COILED - IGS - IMO 2/3 - DH

Sold for $231.5 mill. en bloc to Cypriot buyer (Ocean Tankers). Sale includes t/c for 7 years at $15,300 net/day with option for additional 3 years.

3 x ETHYLENE/LPG “STX RESALES”

9,141/08/09 - STX - 9,000 CBM

Sold for $46.5 mill. to Japanese buyer (Kosan).

NEWBUILDING CONTRACTS

No. Size Type Yard Delivery Price (mill) Owners Comm.

2 x 110,000 dwt Tank Hudong-Zhonghua 2010/11 undisclosed
2 x 107,500 dwt Tank Tsuneishi 2009/10 $60 Transpetrol
2 x 50,500 dwt Prod Guangzhou 2010/11 J. Lauritzen
4 x 46,000 dwt Prod Mipo 2009/10 ST Shipping
6 x 17,000 dwt Chem Jin Mao Shipbuilding 2009/10 $30 Seacrest Shipping
4 x 13,000 dwt Chem 21st Century 20010 Sinochem Shipping
2 x 9,000 dwt Prod Chuangdong 2009 V-Ships
3 x 5,300 dwt Chem Eregli Shipyard 2009/10 $29.5 J.T. Essberger

October 26

Sales

“GRAND LADY”

281,794/91 - HITACHI - B&W 22,894 - SBT - IGS - COW - SH

“AGIOS NIKOLAOS III”

281,751/91 - HITACHI - B&W 22,894 - SBT - IGS - COW - SH

Sold for $115 mill. to Taiwanese buyer (TMT) for conversion.

“SIMBA”

146,270/89 - MITSUBISHI - SUL 15,650 - COILED - SBT - IGS - COW - SH

Sold for $31 mill. to Taiwanese buyer (TMT) for conversion.

“MORNING LADY”

100,486/91 - ONOMICHI - B&W 15,254 - COILED - SBT - IGS - COW - SH

Sold for $32 mill. to Taiwanese buyer (TMT) for conversion.

“THISTLE”

100,289/91 - "ROSE" 100,202/90 / "POPPY" 100,031/90

ONOMICHI - SUL 17,850 - COILED - SBT - IGS - COW - SH

Sold for $88.5 mill. en bloc to Taiwanese buyer (TMT) for conversion.

“TASSELS”
Marine Money’s Freshly Minted on Charles R. Weber’s new online market reports

Streamlining Information

One U.S. broker has grabbed the useful end of developments in internet information delivery to produce a market page that is both informative and at the same time rather fun to use. It smacks of trips to the museum of science and natural history as a child, where exhibits were brought to life through the pushing of buttons and turning of knobs. Visitors to the Charles R. Weber markets page can mouse over graphs to get pin point data, rotate pie charts with a right click of their mouse and scroll through time series with actual sliders. And we understand there’s more to come!

The information, primarily on the tanker sector, but with the dry orderbook by vessel type featured as well, is displayed in clear and easy to read charts. It is updated daily, weekly and monthly and is a lifesaver for those analysts and industry observers who would like to know what an aframax is earning a day, or how many VLCC’s are on order and when they will be coming to market.

Equally impressive is that Johnny Kulukundis of Charles Weber conceived, designed and coded the entire site himself. We’re not sure how many other research directors at shipbrokers are coding xml between writing market reports.

We look forward to watching the development of the page and will be adding it to our favorites here at FM for an instant snapshot of the health of the tanker market. The page can be accessed by anyone by going to www.crweber.com and clicking the “Markets” button or directly at http://www.crweber.com/markets.html.

If you have any questions or comments regarding this report, please don’t hesitate to contact John M. Kulukundis at Charles R. Weber Research to discuss them. You can reach Johnny directly at: jmk@crweber.com

For daily and weekly market updates please visit our website and click the “Market” page at: www.crweber.com