

Capital Link Shipping Weekly Markets Report



Monday, February 27, 2012 (Week 9)



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CONTENT CONTRIBUTORS





Capital Link's 3rd Annual **GREEK SHIPPING FORUM**



"Shipping & Capital: Funding & Investment Opportunities"

Wednesday, February 29, 2012 / Hilton Athens, Greece

IN COOPERATION WITH



Registration is **FREE*** and by invitation only.

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*Morning and afternoon sessions are open and free of charge.
There is a \$185.00 or €150.00 (VAT included) to attend the luncheon.

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FORUM TOPICS

- ▶ The Global Economy & World Trade
- ▶ Shipping & Bank Financing
- ▶ Driving Efficiency & Effectiveness in a Shipping Organization
- ▶ Investment Opportunities in Shipping Today
- ▶ Green Ship Recycling – Trends & Investment Opportunities
- ▶ Raising Capital in the U.S. Capital Markets – Legal Considerations
- ▶ "So You Want To (Or Should Be) A Chapter 11 Debtor Under the U.S. Bankruptcy Code."
- ▶ Reverse Mergers: Alternative Public Offerings
- ▶ Navigating through Accounting & Regulatory Changes
- ▶ Energy Efficiency/ Environmental Equation - Challenges and Opportunities
- ▶ Restructuring as an Investment Opportunity
- ▶ Oslo as a Capital Raising Destination
- ▶ Are Capital Markets Open to Shipping Today?
- ▶ Alternative Sources of Ship Finance
- ▶ Investor Attitudes in Shipping

PRESENTERS & PANELISTS

- | | |
|--|---------------------------------|
| ▶ ABN AMRO | ▶ Holman Fenwick Willan LLP |
| ▶ AMA Capital Partners | ▶ International Registries Inc. |
| ▶ Bank of America Merrill Lynch | ▶ Jefferies |
| ▶ Blank Rome LLP | ▶ Knight Capital Group |
| ▶ Carbon Positive | ▶ Lloyd's Register |
| ▶ Citi | ▶ Marfin Egnatia Bank |
| ▶ Clarksons | ▶ Morgan Stanley |
| ▶ DVB Group | ▶ NASDAQ OMX |
| ▶ Ellenoff Grossman & Schole LLP | ▶ NYSE Euronext |
| ▶ Ernst & Young | ▶ PwC |
| ▶ Fried, Frank, Harris, Shriver & Jacobson LLP | ▶ RS Platou Markets |
| ▶ Global Marketing Systems, Inc. (GMS) | ▶ Watson, Farley & Williams LLP |
| | ▶ Wells Fargo Securities |

LUNCHEON KEYNOTE SPEAKER:

"Challenges & Opportunities in Shipping Today"

By **Mr. Dagfinn Lunde**
Member of the Board of Managing Directors, DVB Bank

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Capital Link Shipping

...Linking Shipping and Investors Across the Globe

Capital Link is a New York-based Advisory, Investor Relations and Financial Communications firm. Capitalizing on our in-depth knowledge of the shipping industry and capital markets, Capital Link has made a strategic commitment to the shipping industry becoming the largest provider of Investor Relations and Financial Communications services to international shipping companies listed on the US and European Exchanges. Capital Link's headquarters are in New York with a presence in London and Athens.

Investor Relations & Financial Advisory

Operating more like a boutique investment bank rather than a traditional Investor Relations firm, our objective is to assist our clients enhance long term shareholder value and achieve proper valuation through their positioning in the investment community. We assist them to determine their objectives, establish the proper investor outreach strategies, generate a recurring information flow, identify the proper investor and analyst target groups and gather investor and analyst feedback and related market intelligence information while keeping track of their peer group. Also, to enhance their profile in the financial and trade media.



In our effort to enhance the information flow to the investment community and contribute to improving investor knowledge of shipping, Capital Link has undertaken a series of initiatives beyond the traditional scope of its investor relations activity, such as:



www.CapitalLinkShipping.com

A web based resource that provides information on the major shipping and stock market indices, as well as on all shipping stocks. It also features an earnings and conference call calendar, industry reports from major industry participants and interviews with CEOs, analysts and other market participants.



Capital Link Shipping Weekly Markets Report

Weekly distribution to an extensive audience in the US & European shipping, financial and investment communities with updates on the shipping markets, the stock market and listed company news.



www.CapitalLinkWebinars.com

Sector Forums & Webinars: Regularly, we organize panel discussions among CEOs, analysts, bankers and shipping industry participants on the developments in the various shipping sectors (containers, dry bulk, tankers) and on other topics of interest (such as Raising Equity in Shipping Today, Scrapping, etc).



Capital Link Investor Shipping Forums

In New York, Athens and London bringing together investors, bankers, financial advisors, listed companies CEOs, analysts, and shipping industry participants.



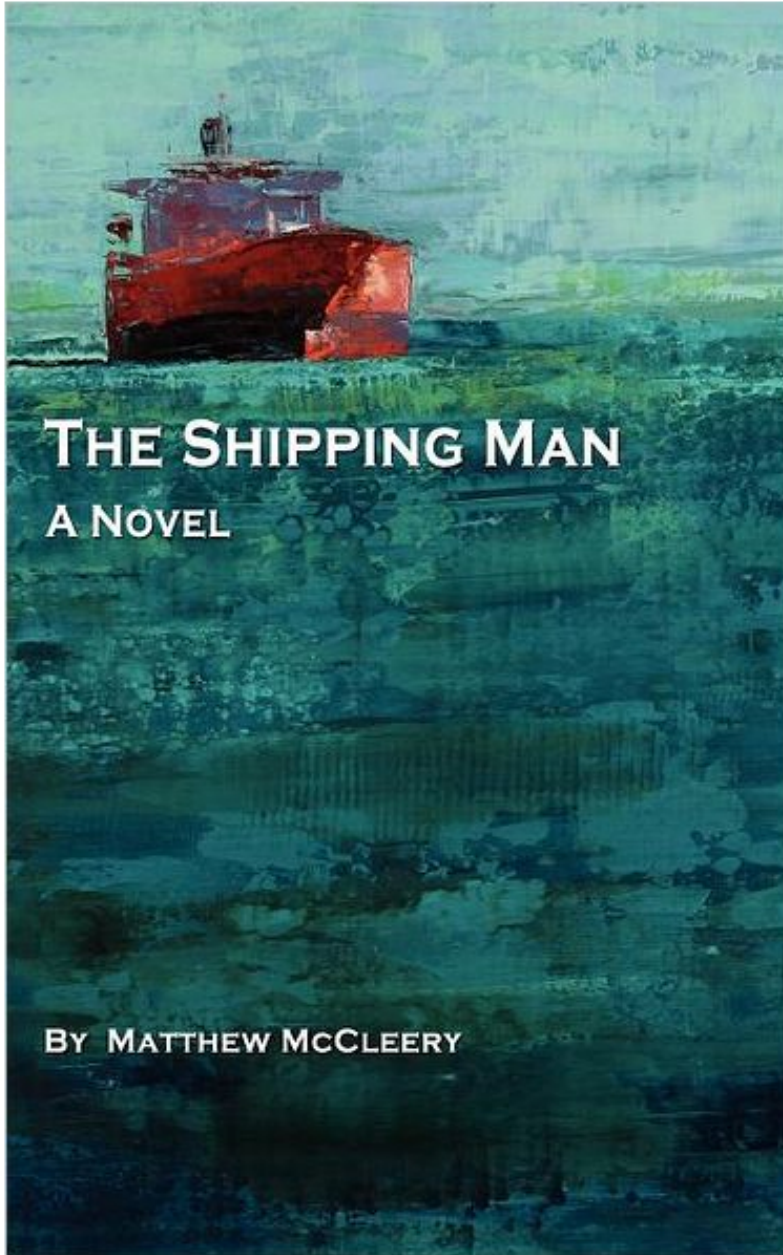
www.MaritimeIndices.com

Capital Link Maritime Indices: Capital Link developed and maintains a series of stock market maritime indices which track the performance of U.S. listed shipping stocks (CL maritime Index, CL Dry Bulk Index, CL Tanker Index, CL Container Index, CL LNG/LPG Index, CL Mixed Fleet Index, CL Shipping MLP Index – Bloomberg page: CPLI. The Indices are also distributed through the Reuters Newswires and are available on Factset.

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www.capitallink.com
www.capitallinkforum.com



ABOUT THE SHIPPING MAN

When restless New York City hedge fund manager Robert Fairchild watches the Baltic Dry Cargo Index plunge 97%, registering an all-time high and a 25-year low within the span of just six months, he decides to buy a ship.

Immediately fantasizing about naming a vessel after his wife, carrying a string of worry beads and being able to introduce himself as a “shipowner” at his upcoming college reunion, Fairchild immediately embarks on an odyssey into the most exclusive, glamorous and high stakes business in the world.

From pirates off the coast of Somalia, to Wall Street investment bankers to Greek and Norwegian shipping magnates, the education of Robert Fairchild is an expensive one. In the end, he loses his hedge fund, but he gains a life - as a Shipping Man.

Part fast paced financial thriller, part ship finance text book, The Shipping Man is 310 pages of required reading for anyone with an interest in capital formation for shipping.

Available at

BARNES & NOBLE
BOOKSELLERS

amazon.com.



Latest Company News

Tuesday, Feb. 21, 2012

Diana Containerships Inc. Announces the Delivery of a Panamax Container Vessel, the APL Sardonyx, and the Drawdown of an Additional US\$8.4 Million From the Revolving Credit Facility With RBS

Diana Containerships Inc. (Nasdaq:DCIX) announced that the Company took delivery of the Panamax container vessel, m/v "APL Sardonyx", a 1995-built vessel of approximately 4,750 TEU capacity, on Friday, February 17, 2012, with a time charter to APL (Bermuda) Ltd., or to a guaranteed nominee for a period of minimum twenty-four months plus or minus forty-five days at a daily rate of US\$24,750. Separately, Diana Containerships Inc. also announced today that it has completed the drawdown of an additional US\$8.4 million under the previously announced revolving credit facility of up to US\$100 million with The Royal Bank of Scotland plc, which may be increased to US\$150 million subject to further syndication.

Two New Period Year Charters for Excel Maritime Carriers Ltd.

Excel Maritime Carriers Ltd. (NYSE: EXM) announced that it entered into new period charter agreements for yet another two of its vessels. Capesize M/V Iron Beauty (164,218 dwt; built in 2001) has been fixed for a period of 8 -12 months at a gross daily rate of \$12,250; Panamax M/V Grain Harvester (76,417 dwt; built in 2004) has been fixed for a period of 10 - 13 months at a gross daily rate of \$11,250. As a result of these additional charters, the Company's 2012 charter coverage is 100% coverage of its Capesize vessels and 60% coverage of the entire fleet.

Danaos Corporation Reports Q4 and Full Year Results for the Year Ended December 31, 2011

Danaos Corporation (NYSE: DAC) reported unaudited results for the quarter and full year ended December 31, 2011. Operating revenues of \$128.3 million for the three months ended December 31, 2011 compared to \$100.5 million for the three months ended December 31, 2010, an increase of 27.7%. Adjusted EBITDA of \$88.8 million for the three months ended December 31, 2011 compared to \$65.0 million for the three months ended December 31, 2010, an increase of 36.6%. Adjusted EBITDA of \$318.6 million for the year ended December 31, 2011 compared to \$243.8 million for the year ended December 31, 2010, an increase of 30.7%.

Baltic Trading Limited Announces Q4 Financial Results

Baltic Trading Limited (NYSE: BALT) reported its financial results for the Q4 and twelve months ended December 31, 2011. The Company recorded net income for the fourth quarter of 2011 of \$1.8 million, or \$0.08 basic and diluted earnings per share. EBITDA was \$6.6 million for the three months ended December 31, 2011 versus \$8.4 million for the three months ended December 31, 2010. For the year ended December 31, 2011, the Company recorded a net loss of \$0.4 million or \$0.02 basic and diluted net loss per share.

Genco Shipping & Trading Limited Announces Q4 2011 Financial Results The Company recorded

Genco Shipping & Trading Limited (NYSE: GNK) reported its financial results for the three and twelve months ended December 31, 2011. The Company recorded net income attributable to Genco for the fourth quarter of 2011 of \$0.3 million, or \$0.01 basic and diluted earnings per share. EBITDA was \$57.3 million for the three months ended December 31, 2011 versus \$91.9 million for the three months ended December 31, 2010.

Scorpio Tankers Inc. Announces Agreements to Construct One Newbuilding, Sell Three Handymax Vessels, and Time Charter-In Two MR Product Tankers

Scorpio Tankers Inc. (NYSE: STNG) announced that it has signed a contract with Hyundai Mipo Dockyard Co., Ltd. of South Korea ("HMD") to construct a 52,000 DWT MR product tanker ("seventh newbuilding"). Besides, the Company has entered into agreements to sell three of its Handymax vessels: the STI Conqueror for \$21.0 million, the STI Gladiator for \$16.2 million, and the STI Matador for \$16.2 million. The sales of the three vessels are expected to close in April 2012. Additionally, it agreed to time charter-in two MR product tankers.

Wednesday, Feb. 22, 2012

Globus Maritime Announces Payment of Bunkers on Behalf of Former Charterer

Globus Maritime Limited (NASDAQ: GLBS) announced that the M/V Star Globe, a 2010-built 56,867 DWT Supramax bulkcarrier, (the "Vessel"), was arrested in Panama by a bunker supplier who had not been paid by Allied Maritime Inc., the previous charterer of the Vessel (the "Charterer"). To secure the Vessel's release from arrest, the Company paid the bunker supplier's invoice in full, plus legal costs. Furthermore, the Company has paid an overdue invoice, plus legal costs, of a second bunker supplier, who had also not been paid by the Charterer, and who had threatened to arrest the Vessel. Following these payments amounting to \$593,537 in total, the arrest of the Vessel has been lifted. The Company is currently considering its legal options to recover the amounts paid, in addition to all other amounts owed by the Charterer.

Aegean Marine Petroleum Network Inc. Announces Q4 2011 Financial Results

Aegean Marine Petroleum Network Inc. (NYSE: ANW) announced financial and operating results for the fourth quarter ended December 31, 2011. The Company recorded net income for the three months ended December 31, 2011 of \$6.3 million, or \$0.14 basic and diluted earnings per share. Total revenues for the three months ended December 31, 2011, increased by 19.7% to \$1,740.3 million compared to \$1,454.2 million for the same period in 2010.



Latest Company News

Genco Shipping & Trading Limited Announces Common Stock Offering

Genco Shipping & Trading Limited (NYSE: GNK) announced that it has commenced a public offering of common stock. Genco plans to offer, subject to market and other conditions, \$50 million in shares of its common stock. Genco intends to use the net proceeds from the offering for general corporate purposes. Genco expects to grant the underwriters 30-day options to purchase up to an additional \$7.5 million in shares of common stock offered by Genco. Morgan Stanley and Co. LLC, Deutsche Bank Securities Inc., and Jefferies & Company, Inc. are acting as joint book-running managers for the offering.

Ocean Rig UDW Inc. Reports Financial and Operating Results for Q4 and Year Ended December 31, 2011

Ocean Rig UDW Inc. (NASDAQ: ORIG) announced its unaudited financial and operating results for the fourth quarter and year ended December 31, 2011. For the fourth quarter of 2011, the Company reported net income of \$36.5 million, or \$0.28 basic and diluted earnings per share. The Company reported Adjusted EBITDA of \$128.8 million for the fourth quarter of 2011 as compared to \$63.6 million for the fourth quarter of 2010. For the year ended 2011, the Company reported net income of \$95.3 million, or \$0.72 basic and diluted earnings per share. The Company reported Adjusted EBITDA of \$377.9 million for the year ended 2011 as compared to \$266.5 million for the year ended 2010.

DryShips Inc. Reports Financial and Operating Results for Q4 and Year Ended December 31, 2011

DryShips Inc. (NASDAQ: DRYS) announced its unaudited financial and operating results for the fourth quarter and year ended December 31, 2011. For the fourth quarter of 2011, the Company reported a net loss of \$6.2 million, or \$0.02 basic and diluted loss per share. Adjusted EBITDA was \$164.4 million for the fourth quarter of 2011 as compared to \$134.8 million for the fourth quarter of 2010. For the year ended 2011, the Company reported a net loss of \$70.1 million, or \$0.21 basic and diluted loss per share. Adjusted EBITDA was \$580.0 million for the year ended 2011 as compared to \$571.7 million for the year ended 2010.

Scorpio Tankers Inc. Announces Q4 and Year End 2011 Financial Results

Scorpio Tankers Inc. (NYSE: STNG) reported its results for the three months and year-ended December 31, 2011. The Company recorded a net loss of \$71.7 million or \$2.21 basic and diluted loss per share, which included a non-cash impairment charge of \$66.6 million, or \$2.05 basic and diluted loss per share for the three months ended December 31, 2011. For the year ended December 31, 2011, the Company recorded a net loss of \$82.7 million or \$2.88 basic and diluted loss per share, which included a non-cash impairment charge of \$66.6 million, or \$2.32 basic and diluted loss per share.

Thursday, Feb. 23, 2012

Diana Containerships Inc. Reports Financial Results for Q4 and Year Ended December 31, 2011

Diana Containerships Inc. (Nasdaq:DCIX) reported net income of \$1.3 million for the fourth quarter of 2011, compared to a net loss of \$15.6 thousand for the same period of 2010. Time charter revenues were \$9.8 million for the fourth quarter of 2011, compared to \$3.3 million for the same period of 2010, mainly due to the increase in the number of vessels in the fleet following the delivery of the Maersk Merlion, Maersk Malacca and Maersk Madrid in June 2011, as well as the increase in average time charter revenues. Net income to Diana Containerships Inc., for the year ended December 31, 2011 amounted to \$3.6 million, compared to a net loss of \$2.0 million for the period from January 7, 2010 (inception date) to December 31, 2010. Time charter revenues were \$27.0 million for the year ended December 31, 2011, compared to \$5.7 million for the same period in 2010.

Navios Maritime Holdings Inc. Reports Financial Results for Q4 and Year Ended December 31, 2011

Navios Maritime Holdings Inc. (NYSE: NM) reported financial results for the fourth quarter and year ended December 31, 2011. For the three month period ended December 31, 2011, it reported revenue of to \$168.4, an increased by 2.4% million from \$164.5 million for the same period in 2010. For the year ended December 31, 2010, Navios Holdings' consolidated revenue for the year ended December 31, 2011 increased by \$17.8 million to \$664.2 million as compared to \$646.4 million for the year ended December 31, 2010. EBITDA was \$245.9 million.

Teekay LNG Partners Reports Q4 and Annual Results

Teekay GP LLC, the general partner of Teekay LNG Partners L.P. reported the Partnership's results for the quarter ended December 31, 2011. The Partnership reported adjusted net income attributable to the partners of \$29.8 million for the quarter ended December 31, 2011, compared to \$26.2 million for the same period of the prior year. For the year ended December 31, 2011, the Partnership reported adjusted net income attributable to the partners of \$108.9 million, compared to \$95.8 million for the same period of the prior year. Adjusted net income attributable to the partners excludes a number of specific items which had the net effect of decreasing net income by \$19.0 million and \$8.1 million for the year ended December 31, 2011 and 2010, respectively.

Teekay Tankers Ltd. Reports Q4 and Annual Results

Teekay Tankers Ltd. reported its fourth quarter and annual results for 2011. The Company reported adjusted net loss of \$1.2 million, or \$0.02 per share, for the quarter ended December 31, 2011, compared to adjusted net income of \$2.6 million, or \$0.05 per share, for the quarter ended December 31, 2010. Adjusted net income for the year ended December 31, 2011 was \$10.1 million, or \$0.17 per share, compared to adjusted net income of \$22.4 million, or \$0.53 per share, for the year ended December 31, 2010.



Latest Company News

Teekay Offshore Partners Reports Q4 and Annual Results

Teekay Offshore GP LLC (NYSE: TOO) reported the Partnership's results for the quarter ended December 31, 2011. During the fourth quarter of 2011, the Partnership generated distributable cash flow(1) of \$41.6 million, compared to \$26.9 million in the same period of the prior year. Adjusted net income attributable to the partners was \$22.3 million for the quarter ended December 31, 2011, compared to \$13.8 million for the same period of the prior year. The Partnership reported adjusted net income attributable to the partners of \$102.2 million for the year ended December 31, 2011, compared to \$65.3 million for the prior year.

Teekay Corporation Reports Q4 and Annual Results

Teekay Corporation reported adjusted net income attributable to stockholders of Teekay of \$1.6 million, or \$0.02 per share, for the quarter ended December 31, 2011, compared to adjusted net loss attributable to the stockholders of Teekay of \$37.8 million, or \$0.51 per share, for the same period of the prior year. For the year ended December 31, 2011, the Company reported adjusted net loss attributable to stockholders of Teekay of \$103.1 million, or \$1.47 per share, compared to adjusted net loss attributable to the stockholders of Teekay of \$121.0 million, or \$1.67 per share, for the year ended December 31, 2010.

STEALTHGAS INC. Reports Q4 and Twelve Months 2011 Financial and Operating Results

STEALTHGAS INC. (Nasdaq:GASS) announced its unaudited financial and operating results for the fourth quarter and twelve months ended December 31, 2011. Voyage revenues for the three months ended December 31, 2011, amounted to \$28.9 million, a decrease of \$0.2 million, or 0.7%, compared to voyage revenues of \$29.1 million for the three months ended December 31, 2010. Adjusted EBITDA for the three months ended December 31, 2011 amounted to \$12.6 million. A reconciliation of adjusted EBITDA to Net Income is set forth below. For the twelve months ended December 31, 2011, the Company reported net income for the twelve months ended December 31, 2011 of \$8.5 million or \$0.41 per share, a decrease of \$2.6 million, from net income of \$11.1 million, or \$0.51 per share, for the twelve months ended December 31, 2010. The adjusted EBITDA amounted to \$47.6 million.

Genco Shipping & Trading Limited Prices Common Stock Offering

Genco Shipping & Trading Limited (NYSE: GNK) announced the pricing of its public offering of common stock. The offering was made pursuant to Genco's registration statement (including a prospectus and related prospectus supplement for the offering). Total gross proceeds from the offering will be approximately \$53.25 million, exclusive of any proceeds attributable to the underwriters' possible exercise of their option to purchase shares of common stock described below. The offering is expected to close on February 28, 2012, subject to the satisfaction of customary closing conditions. Genco intends to use the net proceeds from the offering for general corporate purposes. Genco agreed to sell 7,500,000 shares of common stock at a public offering price of \$7.10 per share. In connection with the offering, Genco granted the underwriters a 30-day option to purchase up to an additional 1,125,000 shares of common stock.

Friday, Feb. 24, 2012

Diana Containerships Inc. Announces the Filing of Its Annual Report on Form 20-F

Diana Containerships Inc. (Nasdaq:DCIX) announced that it has filed its Annual Report on Form 20-F on February 23, 2012, for the year ended 2011. The Annual Report is available for download on the Company's website, www.dcontainerships.com. Any shareholder may receive a hard copy of the Company's complete Annual Report, which includes the Company's complete 2011 audited financial statements, free of charge upon request.

Diana Shipping Inc. Announces Time Charter Contract for M/V Coronis With EDF and Drawdown of US\$37.45 Million From a Loan Facility With China Eximbank

Diana Shipping Inc. (NYSE:DSX) announced that it has entered into a time charter contract with EDF Trading Ltd., London, for one of its Panamax dry bulk carriers, the m/v "Coronis", at a gross charter rate of US\$10,600 per day, minus a 5% commission paid to third parties, for a period of about twenty-one (21) months to about twenty-seven (27) months. The charter is expected to commence in the beginning of March. This employment is anticipated to generate approximately US\$6.6 million of gross revenue for the minimum scheduled period of the charter. The Coronis is a 74,381 dwt Panamax dry bulk vessel built in 2006.

Star Bulk Announces the Sale of the Capesize Vessel Star Ypsilon and Settlement of the Claim With Deilemar

Star Bulk Carriers Corp. (NASDAQ: SBLK) announced that the Company has entered into an agreement to sell the Star Ypsilon, a 150,940 dwt Capesize vessel, built 1991, to a third party for a contracted sale price of \$9.12 million. The Company plans to deliver the vessel to the buyers within March 2012. Furthermore, Star Bulk today announced that its subsidiary Star Beta LLC and Deilemar Shipping S.p.A ("Deilemar") agreed to settle all claims that were the subject of an ongoing arbitration. In connection with the settlement, the Company received a major portion of its arbitration claim and the arbitration proceedings were discontinued. In addition, the cash collateral posted by the Company as security in the arbitration proceedings was released and returned to the Company.

Monday, Feb. 27, 2012

Seanergy Maritime Holdings Corp. Secures Charter Extension for One of Its Handysize Vessels

Seanergy Maritime Holdings Corp. (NASDAQ: SHIP) announced that it has entered into an agreement with MUR Shipping BV ("MUR") to extend the time charter party for the Company's Handysize vessel M/V African Joy, in direct continuation from the end of the minimum period of the previous time charter party of the vessel with MUR. The charter has been extended for a period of eleven to thirteen months at a gross charter rate linked to the adjusted Time Charter Average of the Baltic Handysize Index (BHSI). As a result of this extension, the Company has time charter arrangements covering 74% of its ownership days for 2012 and 22% for 2013. The M/V African Joy is a 26,482 dwt Handysize dry bulk carrier built in 1996.



Select Dividend Paying Shipping Stocks

Company Name	Ticker	Quarterly Dividend	Annualized Dividend	Last Closing Price (FEB-24, 2012)	Annualized Dividend Yield
Containers					
Costamare Inc	CMRE	\$0.27 *	\$1.08	\$14.64	7.38%
Dry Bulk					
Globus Maritime Limited	GLBS	\$0.16	\$0.64	\$4.95	12.93%
Navios Maritime Holdings Inc	NM	\$0.06	\$0.24	\$3.88	6.19%
Navios Maritime Partners	NMM	\$0.44	\$1.76	\$16.09	10.94%
Safe Bulkers Inc	SB	\$0.15	\$0.60	\$7.28	8.24%
Star Bulk Carriers Corp	SBLK	\$0.015	\$0.06	\$0.97	6.20%
Tankers					
Capital Product Partners Lp	CPLP	\$0.2325	\$0.93	\$7.76	11.98%
Navios Maritime Acquisition Corp	NNA	\$0.05	\$0.20	\$3.45	5.80%
Tsakos Energy Navigation Ltd	TNP	\$0.15	\$0.60	\$6.56	9.15%
Mixed Fleet					
Euroseas Ltd	ESEA	\$0.05	\$0.20	\$2.95	6.79%
London Listed Companies (Great British Pence)					
Goldenport Holdings	GPRT	5.40	73.00	7.40%	

*Board approved an eight percent (8%) dividend increase, beginning with the third quarter 2011 dividend, raising the quarterly dividend from \$0.25 to \$0.27 per common share.

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Currencies, Commodities & Indices

Week ending Friday, February 24, 2012

KEY CURRENCY RATES

Rate	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
3-Month LIBOR	0.4906	0.4931	-0.51%	-15.78%	\$0.5393	\$0.2844
10-Yr US Treas. Yield	1.9757	1.9982	-1.13%	1.45%	\$3.3190	\$2.3833
USD/EUR	0.7435	0.7603	-2.21%	-2.96%	\$0.7920	\$0.6694
USD/GBP	0.6300	0.6316	-0.25%	-1.39%	\$0.6563	\$0.5972
USD/JPY	80.5700	79.0900	1.87%	5.10%	\$85.5300	\$75.3800
USD/CNY	6.2981	6.2970	0.02%	0.03%	\$6.5810	\$6.2888

PRECIOUS METALS

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Gold	1,778.70	1,732.03	2.69%	11.08%	\$1,921.15	\$1,381.22
Silver	35.54	33.54	5.95%	20.91%	\$49.79	\$26.07
Platinum	1,718.25	1,635.75	5.04%	20.66%	\$1,916.75	\$1,344.25
Copper	386.65	372.75	3.73%	9.58%	\$452.60	\$305.00
Palladium	713.30	685.05	4.12%	7.51%	\$773.60	\$583.25

KEY AGRICULTURAL & CONSUMER COMMODITIES

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Corn	644.00	645.25	-0.19%	-2.20%	\$793.00	\$562.75
Soybeans	1,286.75	1,273.75	1.02%	4.83%	\$1,468.50	\$1,115.50
Wheat	641.25	647.75	-1.00%	-2.40%	\$975.00	\$597.50
Cocoa	2,357.00	2,345.00	0.51%	11.44%	\$3,609.00	\$2,005.00
Coffee	203.60	202.35	0.62%	-10.39%	\$311.55	\$197.80
Cotton	90.15	92.65	-2.70%	-5.90%	\$125.37	\$84.23
Sugar #11	25.22	23.77	6.10%	2.90%	\$28.53	\$21.00

KEY FUTURES

Commodities	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Gas Oil	1,037.00	1,002.75	3.42%	9.53%	\$1,046.25	\$814.25
WTI Crude	109.73	103.78	5.73%	6.58%	\$114.09	\$76.17
Natural Gas	2.54	2.69	-5.43%	-15.00%	\$4.98	\$2.23
Heating Oil	330.88	319.50	3.56%	8.91%	\$340.00	\$264.31
Gasoline RBOB	315.00	302.84	4.02%	14.60%	\$315.48	\$236.88



Currencies, Commodities & Indices

MAJOR INDICES

Index	Symbol	Close	Last Week	% Change	YTD % Change	4-Jan-12
Dow Jones	INDU	12,982.95	12,949.87	0.26%	4.72%	12,720.48
Dow Jones Transp.	TRAN	5,139.14	5,239.52	-1.92%	1.45%	5,280.75
NASDAQ	CCMP	2,963.75	2,951.78	0.41%	11.89%	2,786.70
NASDAQ Transp.	CTRN	2,342.63	2,397.59	-2.29%	7.06%	2,297.32
S&P 500	SPX	1,365.74	1,361.23	0.33%	6.94%	1,315.38
Russell 2000 Index	RTY	826.92	828.68	-0.21%	9.92%	784.62
Amex Oil Index	XOI	1,340.28	1,324.19	1.22%	6.31%	1,273.79
FTSE 100 Index	UKX	5,935.13	5,905.07	0.51%	4.13%	5,728.55

CAPITAL LINK MARITIME INDICES

Index	Symbol	24-February-12	17-February-12	% Change	4-Jan-12	YTD % Change
Capital Link Maritime Index	CLMI	2,258.55	2,284.61	-1.14%	2,185.20	3.36%
Tanker Index	CLTI	1,963.47	1,953.08	0.53%	1,888.57	3.97%
Drybulk Index	CLDBI	699.57	731.30	-4.34%	661.81	5.71%
Container Index	CLCI	1,228.10	1,158.52	6.01%	1,112.58	10.38%
LNG/LPG Index	CLLG	4,110.41	4,178.86	-1.64%	3,810.14	7.88%
Mixed Fleet Index	CLMFI	1,280.13	1,270.61	0.75%	1,030.58	24.21%
MLP Index	CLMLP	3,192.42	3,139.31	1.69%	2,755.12	15.87%

BALTIC INDICES

Index	Symbol	24-February-12	17-February-12	% Change	4-Jan-12	YTD % Change
Baltic Dry Index	BDIY	718	717	0.14%	1,624	-55.79%
Baltic Capesize Index	BCIY	1,504	1,461	2.94%	2,955	-49.10%
Baltic Panamax Index	BPIY	836	949	-11.91%	1,619	-48.36%
Baltic Supramax Index	BSI	662	641	3.28%	1,158	-42.83%
Baltic Handysize Index	BHSI	395	379	4.22%	570	-30.70%
Baltic Dirty Tanker Index	BDTI	798	817	-2.33%	783	1.92%
Baltic Clean Tanker Index	BCTI	734	690	6.38%	762	-3.67%



Shipping Equities: The Week in Review

SHIPPING EQUITIES UNDERPERFORM THE BROADER MARKET CONTAINER THE BEST PERFORMER

During last week, shipping equities underperformed the broader market, with the Capital Link Maritime Index (CLMI), a composite index of all US listed shipping stocks sliding 1.14%, compared to the S&P 500 increasing 0.33%, and the Dow Jones Industrial Average (DJII) up 0.26%.

Container equities won the week, performing the best with the Index up 6.01%, followed by MLP equities with the Index up 1.69%. The worst performer was the Dry Bulk Index, down 4.34%. The biggest winners in Shipping Equities last week were Top Ships (TOPS), Seanergy Maritime Holdings (SHIP) and Aegean Marine Petroleum (ANW), up 44.29%, 24.61% and 14.60%, respectively.

Equities underperformed the physical shipping market, as the Baltic Dry Index (BDI) gained 0.14% compared to a loss of 4.34% for the Capital Link Dry Bulk Index. Year-to-date, the BDI is now down 55.79% compared to a gain of 5.71% for the Capital Link Dry Bulk Index.

Crude tanker rates declined last week, with the Baltic Dirty Tanker Index (BDTI) losing 2.33%, while the Baltic Clean Tanker Index (BCTI) rose 6.38%. Capital Link Tanker Index inched up 0.53% during last week. Year-to-date, the BDTI is up 1.92% while the BCTI is off 3.67%, and the Capital Link Tanker Index stays positive with a gain of 3.97%.

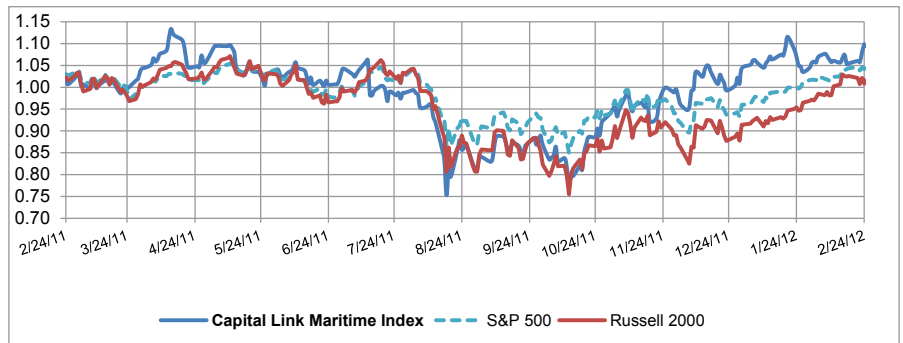
The Trading Statistics supplied by Knight Capital provide details of the trading performance of each shipping stock and analyze the market's trading momentum and trends for the week and year-to-date.

The objective of the Capital Link Maritime Indices is to enable investors, as well as all shipping market participants, to better track the performance of listed shipping stocks individually, by sector or as an industry. Performance can be compared to other individual shipping stocks, to their sector, to the broader market, as well as to the physical underlying shipping markets or other commodities. The Indices currently focus only on companies listed on US Exchanges providing a homogeneous universe. They are calculated daily and are based on the market capitalization weighting of the stocks in each index. In terms of historical data, the indices go back to January 1, 2005, thereby providing investors with significant historical performance.

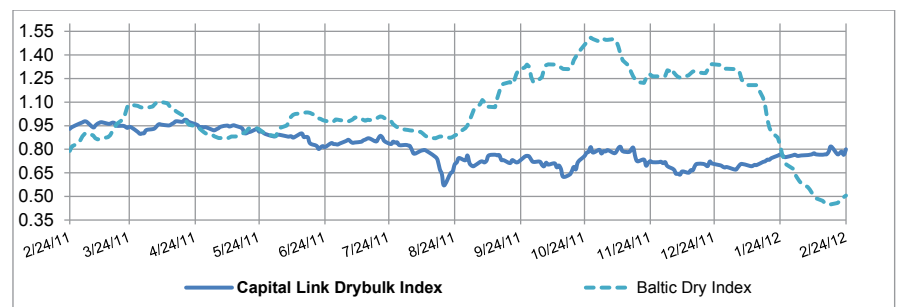
There are seven indices in total; the Capital Link Maritime Index comprised of all 44 listed shipping stocks, and six Sector Indices, the CL Dry Bulk Index, the CL Tanker Index, the CL Container Index, the CL LNG / LPG Index, the CL Mixed Fleet Index and the CL Maritime MLP Index.

The Index values are updated daily after the market close and can be accessed at www.CapitalLinkShipping.com or at www.MaritimeIndices.com. They can also be found through the Bloomberg page "CPLI" and Reuters.

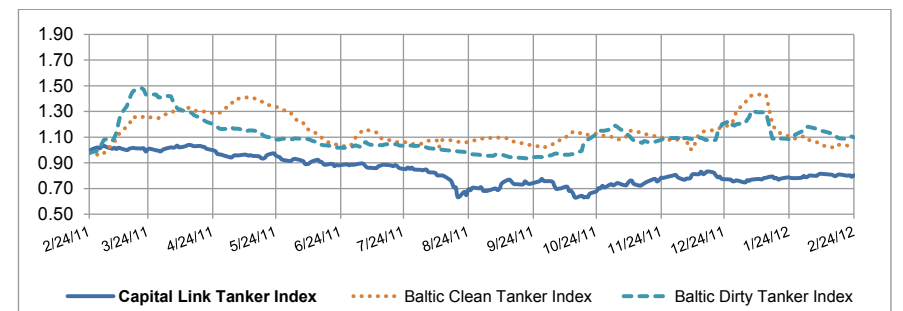
MARITIME INDEX DAILY COMPARISON CHARTS (52 WEEK)*



CAPITAL LINK TANKER INDEX DAILY COMPARISON CHARTS



CAPITAL LINK DRY BULK INDEX DAILY COMPARISON CHARTS



*SOURCE: BLOOMBERG

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Chambers UK guide to the legal profession

Buying shipping assets in today's market can be a risky business – and maritime contracts are often laced with hidden traps for the unwary investor.

That's why you need experts who can help you each step of the way. Stephenson Harwood have one of the world's leading maritime law practices, offering a breadth of services to clients in the shipping sector that few firms can match. Our specialist unit of senior corporate and shipping lawyers provide investors, owners and banks with advice on corporate, competition, environmental, intellectual property and tax law as well as shipping finance and litigation support.

For a confidential discussion, please contact Tony Edwards.

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Weekly Trading Statistics



Descriptive Statistics

Custom Statistics Prepared Weekly for Capital Link Shipping

BROAD MARKET

Percent Change of Major Indexes for the Week Ending Friday, February 24, 2012

Name	Symbol	Close	Net Gain	Percent Gain
Dow Jones Industrial Average Index	INDU	12982.64	78.56	0.61%
S&P 500 Index	SPX	1365.73	7.69	0.57%
Russell 1000 Index	RUI	757.06	3.68	0.49%
Nasdaq-100 Index	NDX	2604.21	11.92	0.46%
Russell 3000 Index	RUA	812.24	3.41	0.42%
Nasdaq Composite Index	COMPX	2963.75	3.90	0.13%
Russell 2000 Index	RUT	827.06	-2.90	-0.35%
Dow Jones Transportation Index	TRAN	5138.21	-124.89	-2.37%
Nasdaq Transportation Index	TRANX	2342.63	-59.75	-2.49%
Phlx Semiconductor Sector Index	SOX	423.78	-12.10	-2.78%

Index Data: INDU (Dow Jones Industrial Average Index). The INDU closed today at 12,982.64 for a weekly gain of 78.56 pts (+0.6088%). The high of the week was 13,050.3 while the low was 12,856.25 (close = 65.13% of high/low range). The INDU closed 0.52% from its 52 week high (13,050.3) and 25.29% from its 52 week low (10,362.26).

INDU Important Moving Averages

50 Day: 12,535.24
100 Day: 12,131.75
200 Day: 11,999.66

SHIPPING INDUSTRY DATA (50 Companies)

Moving Averages

- 62.79% closed > 10D Moving Average.
- 90.70% closed > 50D Moving Average.
- 83.72% closed > 100D Moving Average.
- 55.81% closed > 200D Moving Average

Top Upside Momentum (Issues with the greatest 100 day upside momentum*)				Top Downside Momentum (Issues with the greatest 100 day downward momentum*)			
Symbol	Close	Weekly % Change	50-Day % Change	Symbol	Close	Weekly % Change	50-Day % Change
FREE	1.22	-15.86%	117.86%	TRMD	0.75	-2.60%	0.00%
TOPS	3.03	44.29%	18.82%	GNK	7	-21.44%	-9.09%
ANW	7.22	14.60%	64.09%	SBLK	0.97	-3.00%	-9.35%
NEWL	1	-28.57%	53.85%	OSG	9.75	-9.39%	1.99%
SHIP	3.95	24.61%	63.22%	BALT	4.5	-0.22%	-9.46%
DRYS	3.62	1.69%	59.47%	EXM	1.97	-7.51%	7.07%
EGLE	1.88	-11.32%	77.36%	VLCCF	14.89	-0.73%	-0.47%
SSW	16.75	7.99%	62.15%	ESEA	2.95	0.34%	13.46%
FRO	5.53	13.55%	63.13%				
GMLP	37.87	3.75%	31.22%				

Momentum: (100D % change) + 1.5(50D % change) + 2.0*(10D % change) for each stock - sort names that have a negative value in ascending order - report the top 10.



Weekly Trading Statistics

Top Consecutive Higher Closes					Top Consecutive Lower Closes				
<u>Symbol</u>	<u>Close</u>	<u>Up Streak</u>			<u>Symbol</u>	<u>Close</u>	<u>Down Streak</u>		
TNK	4.42	7			GASS	4.65	-2		
GMLP	37.47	6			SBLK	0.96	-4		
CPLP	7.74	5							
NAT	14.99	5							
TOPS	2.25	4							
NEWL	1.42	4							
SHIP	3.38	4							
STNG	6.24	3							
TNP	6.63	2							
SFL	13.05	2							

Top Largest Weekly Trading Gains					Top Largest Weekly Trading Losses				
<u>Symbol</u>	<u>Close One Week Ago</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>	<u>Symbol</u>	<u>Close One Week Ago</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>
DAC	4.27	3 DAC	4.27		NMM	16.09	-2 NMM	16.09	
DHT	1.24	3 DHT	1.24		SBLK	0.97	-2 SBLK	0.97	
BALT	4.5	2 BALT	4.5		SHIP	3.95	-2 SHIP	3.95	
TNK	4.51	2 TNK	4.51		TOPS	3.03	-2 TOPS	3.03	
TK	28.23	2 TK	28.23		TRMD	0.75	-2 TRMD	0.75	
TGP	39.35	2 TGP	39.35		DCIX	6.79	-3 DCIX	6.79	
SFL	13.64	2 SFL	13.64		SB	7.26	-4 SB	7.26	
PRGN	0.9	2 PRGN	0.9		GNK	7	-5 GNK	7	
GSL	2.69	2 GSL	2.69						
GMLP	37.87	2 GMLP	37.87						

Top Largest Monthly Trading Gains (A month has been standardized to 20 trading days)					Top Largest Monthly Trading*Losses (A month has been standardized to 20 trading days)				
<u>Symbol</u>	<u>Prior Close</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>	<u>Symbol</u>	<u>Prior Close</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>
TOPS	2.1	3.03	0.93	44.29%	NEWL	1.4	1	-0.40	-28.57%
SHIP	3.17	3.95	0.78	24.61%	GNK	8.91	7	-1.91	-21.44%
ANW	6.3	7.22	0.92	14.60%	FREE	1.45	1.22	-0.23	-15.86%
FRO	4.87	5.53	0.66	13.55%	EGLE	2.12	1.88	-0.24	-11.32%
TEU	8.45	9.42	0.97	11.48%	OSG	10.76	9.75	-1.01	-9.39%
SFL	12.4	13.64	1.24	10.00%	NM	4.28	3.89	-0.39	-9.11%
SSW	15.51	16.75	1.24	7.99%	EXM	2.13	1.97	-0.16	-7.51%
GLBS	4.63	4.95	0.32	6.91%	PRGN	0.95	0.9	-0.05	-5.26%
TNK	4.25	4.51	0.26	6.12%	DSX	9.75	9.25	-0.50	-5.13%
DAC	4.04	4.27	0.23	5.69%	GLNG	47.21	44.81	-2.40	-5.08%

Stocks Nearest to 52-Week Highs			Stocks Nearest To 52-Week Lows		
<u>Symbol</u>	<u>52W High</u>	<u>% Away</u>	<u>Symbol</u>	<u>52W Low</u>	<u>% Away</u>
GMLP	38.90	-2.65%	OSG	9.05	7.73%
GLNG	47.82	-6.29%	SBLK	0.86	12.79%
NNA	4.04	-14.67%	VLCCF	13.04	14.15%
CMRE	17.26	-14.98%	BALT	3.56	26.31%
TEU	11.11	-15.18%	NAT	11.11	31.42%
SSW	20.24	-17.22%	ALEX	32.68	34.24%
NMM	19.48	-17.42%	ESEA	2.15	37.21%
ALEX	54.01	-18.78%	TNK	3.27	37.85%
SB	9.00	-19.36%	TRMD	0.54	38.89%
TK	36.29	-22.20%	CMRE	10.51	39.64%



Weekly Trading Statistics

Top Stocks with Highest Weekly Volume Run Rate* > 1

<u>Symbol</u>	<u>Close</u>	<u>Net % Change</u>	<u>Run Rate</u>
TOPS	3.03	44.29%	9.3503
FREE	1.22	-15.86%	8.4179
NEWL	1	-28.57%	6.0032
GNK	7	-21.44%	5.4517
SHIP	3.95	24.61%	2.9749
ANW	7.22	14.60%	2.7629
GASS	4.77	1.92%	2.5268
TRMD	0.75	-2.60%	2.2302
DRYS	3.62	1.69%	1.8629
SBLK	0.97	-3.00%	1.8146

*The Volume Run Rate is calculated by dividing the current week's volume by the average volume over the last 20 weeks. For example, a run rate of 2.0 means the stock traded twice its average volume.

<u>Top Year-To-Date Gainers</u>		<u>Top Year-To-Date Decliners</u>	
<u>Symbol</u>	<u>YTD Gain %</u>	<u>Symbol</u>	<u>YTD Decline %</u>
FREE	183.72%	OSG	-10.80%
NEWL	117.39%	BALT	-5.26%
EGLE	100.00%		
SHIP	82.87%		
DRYS	81.00%		
ANW	76.96%		
DHT	72.22%		
TOPS	69.27%		
GLBS	49.55%		
GSL	48.62%		

The following are the 44 members of this group: **Symbol – Name:** **ALEX** - Alexander & Baldwin Inc; **ANW** - Aegean Marine Petroleum Network Inc; **BALT** - Baltic Trading Ltd; **CPLP** - Capital Product Partners LP; **CMRE**- Costamere, Inc.; **DAC** - Danaos Corp; **DCIX** – Diana Containerships; **DHT** - DHT Maritime Inc; **DRYS** - DryShips Inc; **DSX** - Diana Shipping Inc; **EGLE** - Eagle Bulk Shipping Inc; **ESEA** - Euroseas Ltd; **EXM** - Excel Maritime Carriers Ltd; **FREE** – FreeSeas; **FRO** - Frontline Ltd; **GASS** - StealthGas Inc; **GLBS** – Globus Maritime Limited; **GLNG** - Golar LNG Ltd; **GMLP** – Golar LNG Partners; **GNK** - Genco Shipping & Trading Ltd; **GSL** - Global Ship Lease Inc; **NAT** - Nordic American Tanker Shipping; **NEWL** - NewLead Holdings Ltd; **NM** - Navios Maritime Holdings Inc; **NMM** - Navios Maritime Partners LP; **NNA** - Navios Maritime Acquisition Corp; **OSG** - Overseas Shipholding Group Inc; **PRGN** - Paragon Shipping Inc; **SB** - Safe Bulkers Inc; **SBLK** - Star Bulk Carriers Corp; **SFL** - Ship Finance International Ltd; **SHIP** - Seenergy Maritime Holdings Corp; **SSW** - Seaspan Corp; **STNG** - Scorpio Tankers Inc; **TBSI** - TBS International Ltd; **TEU** – Box Ships Inc; **TGP** - Teekay LNG Partners LP; **TK** - Teekay Corp; **TNK** - Teekay Tankers Ltd; **TNP** - Tsakos Energy Navigation Ltd; **TOO** - Teekay Offshore Partners LP; **TOPS** - TOP Ships Inc; **TRMD** - D/S Torm A/S; **VLCCF** - Knightsbridge Tankers Ltd

Notes

These symbols were ignored in some analysis (i.e. 200 day moving average) due to the lack of historical data: GMLP and TEU.

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Shipping Bonds

Contributed by **Knight**

The current year to date high yield deal volume is \$48.896 billion in 97 deals, compared to last year's \$56.454 billion in 130 deals. Of the 97 deals year to date, 64 of them were by U.S. Issuers and 84 of them were dollar denominated. The month to date high yield deal volume is \$24.827 billion in 46 deals, compared to last year's \$22.373 billion in 52 deals for the same period. The default rate by amount outstanding is 0.21% for February, unchanged from January. The shadow default rate is 0.59%. On the high yield calendar there are \$3.05 billion and £405 million deals being marketed. There were no BWICs this past week. Total BWIC volume for this year is \$513 million, versus \$697 million in the same period last year. Data from EPFR Global reported an inflow to HY funds of \$852 billion for the week ended Feb. 22nd.

Diana Containerships, a Greece based owner and operator of container vessels, filed a \$250 mm shelf registration for debt, preferred stock and stock.

Norwegian Car Carriers ASA, an Oslo based shipping company, intends to redeem its NOK 21 million of floating-rate notes due 2013 at par plus accrued interest, but first needs noteholder approval, which it will attempt to get at the March 7th meeting.

Shipping Relative Value Analysis										
Issuer	Coupon	Issue	Maturity	Amount Out	Issue Rating	As of 02/24/12			Next Call	
						Price	YTW	STW	Date	Price
Shipping										
American Commercial (ACLI)										
	12.500%	Sr Sec Nts	07/15/17	\$200	B2 / B+	110.00	8.94%	864 bps	07/15/13	106.25
American Petroleum Tankers (AMPETR)										
	10.250%	Sr Sec Nts	05/01/15	\$258	B1 / B+	103.88	8.25%	796 bps	05/01/12	105.13
Berlian Laju Tanker (BLTAIJ)										
	7.500%	Sr Un Nts	05/15/14	\$400	NR/ CCC-	27.25	83.39%	8310 bps	05/15/12	103.75
	12.000%	Sr Un Nts	02/10/15	\$125	NR/ NR	0.00	0.00%		nc	nc
CMA CGM (CMACG)										
	8.500%	Sr Un Nts	04/15/17	\$475	Caa1 / B-	62.00	20.92%	2005 bps	04/15/14	104.25
	8.875%	Sr Un Nts	04/15/19	\$325	Caa1 / B-	58.00	20.25%	2068 bps	04/15/15	104.44
General Maritime (GMR)										
	12.000%	Sr Un Nts	11/15/17	\$300	WR / CCC-	1.30	533.34%	53247 bps	11/15/13	106.00
Golden State Petro (GOLDEN)										
	8.040%	Sr Sec Nts	02/01/19	\$96	B2 / BB+	NA	NA	NA	nc	nc
Great Lakes Dredge & Dock (GLDD)										
	7.375%	Sr Un Nts	02/01/19	\$250	B3 / B	104.25	6.35%	549 bps	02/01/15	103.69
DryShips (DRYS)										
	5.000%	Conv Nts	12/01/14	\$700	NR/ NR	86.00	11.02%	1073 bps	nc	nc
Excel Maritime (EXM)										
	1.875%	Conv Nts	10/15/27	\$150	NR/ NR	38.22	43.61%	4332 bps	10/22/14	100.00
Horizon Lines (HRZ)										
	11.000%	Sr Sec Nts	10/15/16	\$225	NR/ NR	98.88	11.31%	1045 bps	10/15/12	101.50
	6.000%	Conv Nts	04/15/17	\$179	NR/ NR	79.00	11.53%	1067 bps	nc	nc
Marquette Transportation (MARTRA)										
	10.875%	Sr Sec Nts	01/15/17	\$250	B3 / B-	103.50	9.76%	890 bps	01/15/13	108.16
Navios Maritime Acquisition (NNA)										
	8.625%	Sr Sec Nts	11/01/17	\$505	B2 / B	86.00	12.10%	1124 bps	11/01/13	104.31
Navios Maritime (NM)										
	8.875%	Sr Sec Nts	11/01/17	\$400	Ba3 / BB-	99.00	9.10%	824 bps	11/01/13	104.44
	8.125%	Sr Un Nts	02/15/19	\$350	B3 / B+	79.88	12.54%	1057 bps	02/15/15	104.06
	9.250%	Sr Un Nts	04/15/19	\$200	B3 / B+	79.50	13.86%	1189 bps	04/15/14	106.94
Overseas Shipholding (OSG)										
	8.750%	Sr Un Nts	12/01/13	\$64	Caa1 / B-	97.50	10.33%	1003 bps	nc	nc
	8.125%	Sr Un Nts	03/30/18	\$300	Caa1 / B-	68.00	16.69%	1583 bps	nc	nc
	7.500%	Sr Un Nts	02/15/24	\$146	Caa1 / B-	59.00	14.96%	1299 bps	nc	nc



Shipping Bonds

Shipping Relative Value Analysis

Issuer	Coupon	Issue	Maturity	Amount Out	Issue Rating	As of 02/24/12			Next Call	
						Price	YTW	STW	Date	Price
Shipping										
Royal Caribbean (RCL)										
	7.000%	Sr Un Nts	06/15/13	\$550	Ba2 / BB	105.10	2.95%	266 bps	nc	nc
	6.875%	Sr Un Nts	12/01/13	\$350	Ba2 / BB	106.50	3.04%	275 bps	nc	nc
	5.625%	Sr Un Nts	01/27/14	\$1,000	Ba2 / BB	101.00	5.06%	485 bps	nc	nc
	11.875%	Sr Un Nts	07/15/15	\$300	Ba2 / BB	122.75	4.53%	411 bps	nc	nc
	7.250%	Sr Un Nts	06/15/16	\$350	Ba2 / BB	110.25	4.59%	373 bps	nc	nc
	7.250%	Sr Un Nts	03/15/18	\$150	Ba2 / BB	107.50	5.76%	490 bps	nc	nc
	7.500%	Sr Un Nts	10/15/27	\$300	Ba2 / BB	101.25	7.36%	426 bps	nc	nc
Ship Finance (SFL)										
	8.500%	Sr Un Nts	12/15/13	\$296	B3 / B+	99.98	8.50%	820 bps	03/26/12	100.00
	6.740%	Sr Un Nts	04/07/14	\$500	NR/ NR	NA	NA	NA	10/07/13	100.50
	3.750%	Sr Un Nts	02/10/16	\$125	NR/ NR	76.95	11.43%	1026 bps	nc	nc
Stena AB (STENA)										
	7.000%	Sr Un Nts	12/01/16	\$129	Ba3 / BB+	92.25	9.04%	817 bps	03/26/12	101.17
	6.125%	Sr Un Nts	02/01/17	\$300	Ba3 / BB+	96.23	7.04%	636 bps	nc	nc
	5.875%	Sr Un Nts	02/01/19	\$102	Ba3 / BB+	84.00	9.03%	843 bps	nc	nc
	7.875%	Sr Un Nts	03/15/20	\$200	Ba3 / BB+	93.52	9.02%	773 bps	nc	nc
Teekay Corp (TK)										
	8.500%	Sr Un Nts	01/15/20	\$450	B2 / BB-	101.00	8.32%	635 bps	nc	nc
Trailer Bridge (TRBR)										
	9.250%	Sr Sec Nts	11/15/11	\$83	WR / NR	75.00	12.33%			
United Maritime (UNMTGR)										
	11.750%	Sr Sec Nts	06/15/15	\$164	B3 / B	100.00	11.72%	1143 bps	12/15/12	105.88
Windsor Petroleum (WINPET)										
	7.840%	Sr Sec Nts	01/15/21	\$217	Caa1 / BB-	NA	NA	NA	nc	nc
Supply Vessels										
Gulfmark Offshore (GMRK)										
	7.750%	Sr Un Nts	07/15/14	\$160	B1 / BB-	100.63	6.00%	587 bps	03/26/12	101.29
Hornbeck Offshore Services (HOS)										
	6.125%	Sr Un Nts	12/01/14	\$300	Ba3 / BB-	100.50	5.43%	527 bps	03/26/12	101.02
	8.000%	Sr Un Nts	09/01/17	\$250	Ba3 / BB-	105.00	6.39%	596 bps	09/01/13	104.00
	1.625%	Conv Nts	11/15/26	\$250	NR/ BB-	110.56	(4.26%)	-455 bps	11/15/13	100.00
Seacor Holdings (CKH)										
	5.875%	Sr Un Nts	10/01/12	\$177	Ba1 / BB+	101.00	4.13%	397 bps	nc	nc
	7.375%	Sr Un Nts	10/01/19	\$234	Ba1 / BB+	106.50	6.28%	431 bps	nc	nc

Source: Knight, Company Filings, Bloomberg

Knight Corporate Access is an unbiased service for issuers to connect with institutional investors. Through a combination of strategic investor introductions, thought leadership initiatives and market insight, Knight can help strengthen and diversify a company's investor base.

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Dry Bulk Market - Weekly Highlights

Despite activity picking up considerably this week, there was little increase in rates while the Panamaxes are still continuing to lose ground on the back of a rapidly increasing fleet and as such open tonnage lists in both the Pacific and Atlantic basins. In the Capes market there was a small sign of a recovery approaching towards the end of the week thanks to a considerable number of fresh inquiries coming into to the market. Similarly in the Supras, most of the positive movement in freight levels was achieved from mid-week onwards, despite the increased activity reported, as there was a considerable tonnage list to go through before sentiment could gain some optimism. Handies managed to make the biggest gains this week, though after the long period of constant drops in freight levels, the recovery seems limited and there is still a long way to go before we could say that owners market confidence has returned.

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Intermodal

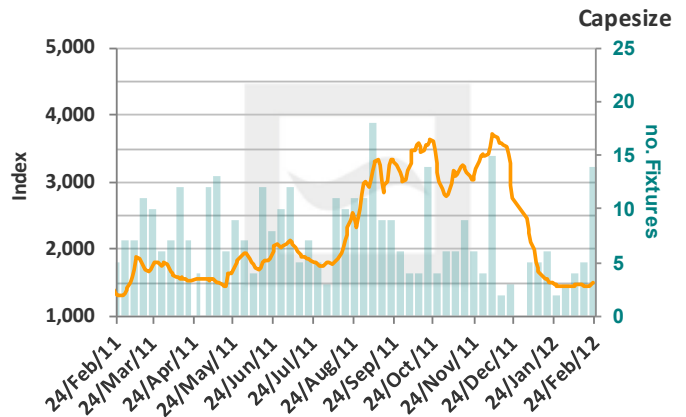
Intermodal Shipbrokers Co.
17th km Ethniki Odos Athens-Lamia & 3 Agrambelis Street,
145 64 N. Kifisia,
Athens - Greece



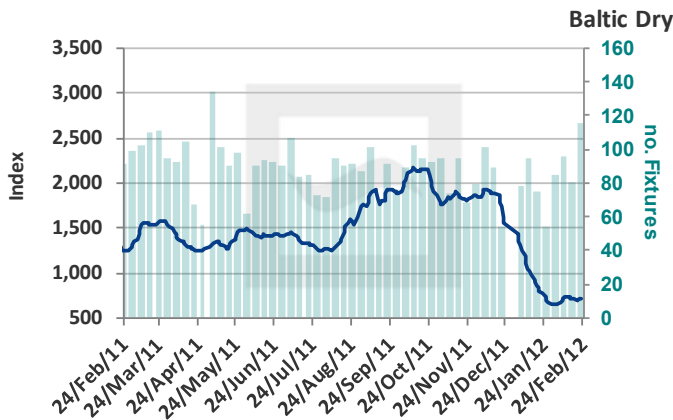
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Baltic Indices / Dry Bulk Spot Rates								
	Week 8 24/02/2012		Week 7 17/02/2012		±%	Point Diff	2012	2011
	Index	\$/day	Index	\$/day			Avg Index	Avg Index
BDI	718		717		0.1%	1	881	1,549
BCI	1,504	\$5,699	1,461	\$5,286	2.9%	43	1,667	2,237
BPI	836	\$6,705	949	\$7,587	-11.9%	-113	1,037	1,749
BSI	662	\$6,920	641	\$6,701	3.3%	21	786	1,377
BHSI	395	\$5,980	379	\$5,684	4.2%	16	446	718

On the demand side, there are still many reports showing a growth in the global production of steel which many can see as an optimistic sign despite it not being translated as yet in to increased transportation of coal and iron ore. It seems to be that the stock piling that took place especially from china before the Christmas holidays is set to last a lot longer than originally anticipated and this will likely lead to a more depressed demand for a longer time period. However, as long as prices for iron ore continue to drop while demand remains firm for steel, we should start to see a change take place slowly.



CAPESIZE MARKET - ▲ The Baltic Cape Index closed on Friday the 24th of February at 1,504 points with a weekly gain of 43 points. For this week we monitor a 2.9% change on a week-on-week comparison, as Last Friday's the 17th of February closing value was 1,461 points). It is worth noting that the annual average of 2011 for the Cape Index is currently calculated at 1,667 points, while the average for the year 2010 was 2,237 points.



▲ The Baltic Dry Index closed on Friday the 24th of February at 718 points with a weekly gain of 1 points or 0.1% over previous week's closing. (Last Friday's the 17th of February closing value was recorded at 717 points).



Dry Bulk Market - Weekly Highlights

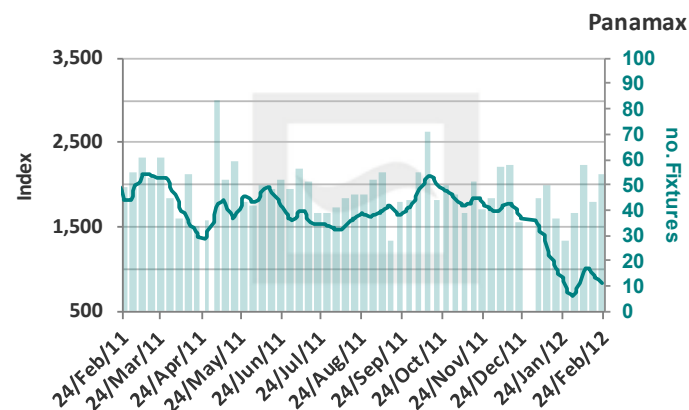
Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	14	\$20,000	\$5,500
last week	5	\$13,350	\$6,250

Week	Period Charter	Trip Charter
this week	\$24,250	\$9,083
last week	\$12,700	\$6,375

For Week 8 we have recorded a total of 14 timecharter fixtures in the Capesize sector, 5 for period charter averaging \$24,250 per day, while 9 trip charters were reported this week with a daily average of \$9,083 per day.

This week's fixture that received the lowest daily hire was the M/V "K AMBITION", 180000 dwt, built 2011, dely Taichung 29 Feb, redely China approx, \$5500, Pacific Bulk, for a trip via Esperance -750\$ reduced from last week, and the fixture with the highest daily hire was the M/V "GREAT JIN", 175868 dwt, built 2010, dely Rotterdam 20/24 Feb, redely Singapore-Japan, \$20000, Classic Maritime, for a trip via options 6650\$ improved from last week.

The BCI is showing a 2.9% gain on a weekly comparison, a 0.5% gain on a 1 month basis, a -53.8% loss on a 3 month basis, a -29.2% loss on a 6 month basis and a 14.4% gain on a 12 month basis.



PANAMAX MARKET - ▼ The Baltic Panamax Index closed on Friday the 24th of February with a loss at 836 points having lost -113 points on a weekly comparison. It is worth noting that last Friday's the 17th of February saw the Panamax index close at 949 points. The week-on-week change for the Panamax index is calculated to be -11.9%, while the yearly average for the Baltic Panamax Index for this running year is calculated at 1,037 points while the average for 2010 was 1,749 points.

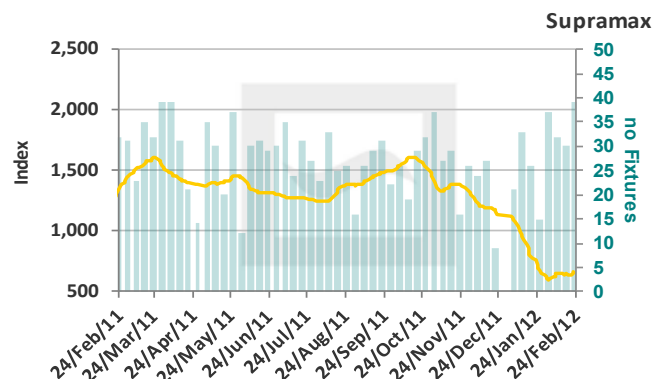
Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	54	\$15,000	\$5,000
last week	43	\$19,750	\$6,125

Week	Period Charter	Trip Charter
this week	\$10,307	\$10,021
last week	\$10,306	\$11,316

For Week 8 we have recorded a total of 54 timecharter fixtures in the Panamax sector, 14 for period charter averaging \$10,307 per day, while 40 trip charters were reported this week with a daily average of \$10,021 per day.

The daily earnings differential for the Panamax, that we calculate from all this week's reported fixtures, i.e. the difference between the lowest and highest reported fixture for this week was reduced, and this week's fixture that received the lowest daily hire was the M/V "ORIENTAL FRONTIER", 74366 dwt, built 2000, dely Flushing 25/29 Feb, redely UKC, \$5000, Norden, for a trip via Murmansk -1125\$ reduced from last week, and the fixture with the highest daily hire was the M/V "CK ANGIE", 81146 dwt, built 2011, dely Santos 13/18 Mar, redely Singapore-Japan, \$15000, Oldendorff, for a trip, 300000 bb -4750\$ reduced from last week.

The BPI is showing a -11.9% loss on a weekly comparison, a -8.0% loss on a 1 month basis, a -53.7% loss on a 3 month basis, a -47.7% loss on a 6 month basis and a -53.9% loss on a 12 month basis.



SUPRAMAX & HANDYMAX MARKET - ▲ The Baltic Supramax Index closed on Friday the 24th of February at 662 points up with a weekly gain of 21 points or 3.3%. The Baltic Supramax index on a weekly comparison is with an upward trend as last Friday's the 17th of February closing value was 641 points. The annual average of the BSI is recorded at 786 points while the average for 2010 was 1,377 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	39	\$15,000	\$4,950
last week	30	\$20,000	\$2,000

Week	Period Charter	Trip Charter
this week	\$10,600	\$9,703
last week	\$10,093	\$10,163

For Week 8 we have recorded a total of 39 timecharter fixtures in the Supramax & Handymax sector, 3 for period charter averaging



Dry Bulk Market - Weekly Highlights

\$10,600 per day, while 36 trip charters were reported this week with a daily average of \$9,703 per day.

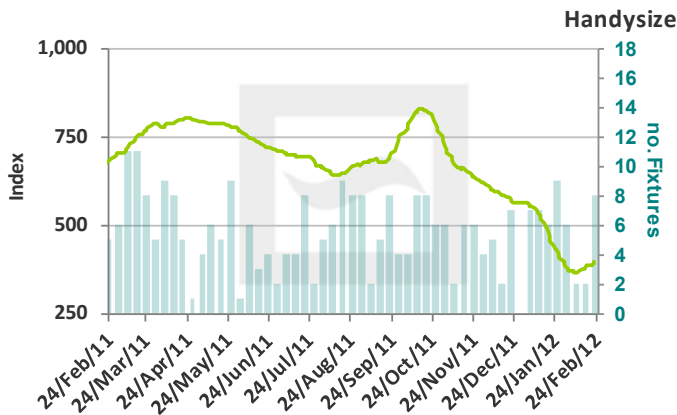
The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall reduced and from the reported fixtures we see that this week's fixture that received the lowest daily hire was the M/V "THOR DYNAMIC", 43497 dwt, built 1991, dely Alcanar spot, redely Nigeria, \$4950, Nom (UK) Ltd, for a trip 2950\$ improved from last week, and the fixture with the highest daily hire was the M/V "SPAR SCORPIO", 53565 dwt, built 2003, dely Cigading 2/5 March, redely India, \$15000, Chart Not Rep, for a trip -5000\$ reduced from last week.

The BSI is showing a **3.3%** gain on a weekly comparison, a **-12.4%** loss on a 1 month basis, a **-51.6%** loss on a 3 month basis, a **-49.8%** loss on a 6 month basis and a **-52.2%** loss on a 12 month basis.

with a weekly gain of **16** points and a percentage change of **4.2%**. It is noted that last Friday's the 17th of February closing value was 379 points and the average for 2011 is calculated at 446 points while the average for 2010 was 718 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	8	\$15,000	\$5,250
last week	2	\$12,000	\$12,000

Week	Period Charter	Trip Charter
this week	\$0	\$8,875
last week	\$0	\$12,000



For Week 8 we have recorded a total of 8 timecharter fixtures in the Handysize sector, 0 for period charter averaging \$0 per day, while 8 trip charters were reported this week with a daily average of \$8,875 per day.

The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall improved and this week's fixture that received the lowest daily hire was the M/V "MISS SAMONA", 32316 dwt, built 2010, dely Mumbai 20/21 Feb, redely Dakar intention bagged rice, \$5250, Denmar, for a trip -6750\$ reduced from last week and the fixture with the highest daily hire was the M/V "CHAMCHURI NAREE", 33733 dwt, built 2005, dely wwr Up River 4/6 Mar, redely Manzanillo, \$15000, Norden, for a trip 3000\$ improved from last week.

HANDYSIZE MARKET - ▲ The Baltic Handysize Index closed on Friday the 24th of February with an upward trend at 395 points

The BHI is showing a **4.2%** change on a weekly comparison, a **-11.0%** loss on a 1 month basis, a **-40.2%** loss on a 3 month basis, a **-38.9%** loss on a 6 month basis and a **-42.6%** loss on a 12 month basis.

All Baltic Dry Indices, 1 day, 1week, 1 month, 3 months, 6 months and 12 months % changes based on last Friday's closing figures.

INDEX	1 DAY	1 WEEK	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR
BDI	1.7%	0.1%	-8.4%	-62.2%	-49.2%	-42.3%
BCI	2.2%	2.9%	0.5%	-53.8%	-29.2%	14.4%
BPI	-1.5%	-11.9%	-8.0%	-53.7%	-47.7%	-53.9%
BSI	2.3%	3.3%	-12.4%	-51.6%	-49.8%	-52.2%
BHI	0.5%	4.2%	-11.0%	-40.2%	-38.9%	-42.6%



The Week In Review

Week Ending: 24th February 2012
(Given in good faith but without guarantee)

This Week's News: A snapshot on the economic and shipping environment

ECONOMIC ENVIRONMENT

The week was highlighted by an astonishing deal in the world of finance as Wells Frago is said to be buying BNP Paribas energy lending business. According to industry related sources, Wells Frago has agreed to buy the energy loan portfolio from BNP Paribas with a historical value of \$11 billion. The deal is one of the biggest disposals by a European bank of shrinking its balance sheet.

The eurozone economy is struggling to find a steady pace of growth with sovereign debt crisis dragging down euro prosperity. The European Commission has predicted that the eurozone economy will contract by 0.3% in 2012. In its previous forecast in November, it said that the economy would grow by 0.5%. "The unexpected stalling of the recovery in late 2011 is set to extend into the first two quarters of 2012," the Commission said. The biggest drag on the eurozone economy is expected to be Greece, which is now expected to see a 4.4% decline in output in the current year. Greece and Portugal were the only economies the Commission expected to contract in their previous forecast in November. Belgium, Spain, Italy, Cyprus, the Netherlands and Slovenia have now been added to that list.

In Greece, eurozone finance ministers sealed a second EUR 130 billion bailout with the country asking from its private bondholders to accept a cut of 53.5% on the face value of their Greek bonds. Fitch Ratings, as expected, downgraded Greece's credit rating to 'C' from 'CCC', since the new loan package includes a debt exchange which will force bondholders to take a loss on their holdings of Greek debt. In the meantime, Greek parliament has approved bond swap deal with private bondholders with the Eurozone demanding 38 specific changes in Greek tax, spending and wage policies by the end of this month to reduce Greece's debt to 120.5% of GDP by 2020. The European Commission hints that the contraction in Greece could be larger, by expecting to exceed 6%, given the lower business and consumer confidence and lower local demand.

In China, Central Bank has made a long waited move to boost liquidity and support lending in economy by cutting the amount of money, for the first time since November 2008, that banks must hold as reserves. The People's Bank of China said it would lower the reserve requirement ratio by 50 basis points from February 24. The cut will bring the ratio down to 20.5 per cent for the largest banks, and is expected to free up about Rmb400bn (\$64bn) for new lending. China's gross domestic product grew by 9.2 per cent last year. But the growth rate dropped to 8.9 per cent in the fourth quarter, the slowest rate in 10 quarters, and is expected to slow further in the current quarter. Inflation has moderated after peaking at 6.5 per cent last summer, but rose again in January to 4.5 per cent – up from 4.1 per cent in December.

In the meantime, China and Japan have expressed their support for an expansion of the International Monetary Fund's resources to aid Europe's sovereign debt crisis. In a meeting in Beijing, Wang Qishan, Chinese vice-premier, and Jun Azumi, Japanese finance minister, said they were prepared to support the IMF's "important role" in

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combating turmoil in the eurozone. Christine Lagarde, IMF managing director, has been pushing for an extra \$500bn in funding to contain the eurozone crisis and to protect economies around the world from spillover effects. Eurozone countries have so far committed \$200bn, while the US has said it will not contribute additional funds and the gap is still large to be bridged. A senior Japanese official said that Japan and China both believe that it will be exceedingly difficult to fill that gap unless the cap on the European Stability Mechanism is removed."

In Japan, trade deficit has hit a record with Imports rising 9.8 per cent from a year earlier, while exports fell 9.3 per cent, resulting in a record monthly deficit of Y1,480bn (\$18.6bn), according to the finance ministry. One comforting sign was that the yen weakened against US dollar by losing more than 3% last Wednesday, for the first time since July, when the Bank of Japan announced extra monetary stimulus while adopting a firmer target for inflation. The downward decline of Japan's strong currency yen offered some sense of relief to Japan's troubled exporters.

SHIPPING MARKET

China and Brazil are negotiating access to Chinese ports for Vale's giant fleet to end the ban on its 400,000 dwt vessels. According to company's iron ore and strategy chief, Jose Carlos Martins, Chinese ports have the conditions to receive ships and it's a question of adjustment and licensing. During a meeting in the Brazilian capital, Brasilia, on February 14, the country's Vice-President Michel Temer discussed the issue of access for Vale's 400,000 dwt "Valemax" vessels - the world's biggest dry-bulk carriers - with China's Vice-Premier Wang Qishan, according to Marco Aurelio Garcia, foreign policy adviser to Brazilian President Dilma Rousseff. Jose Carlos Martins stated that the company is prepared for alternative solutions as China needs ore and as time goes on all this will be solved. Vale is already building transshipment centres in Philippines and Malaysia, which will be ready by 2014, for transferring the iron ore into smaller vessels for China. Martins told analysts. Vale has also announced that it is moving to spot ore pricing and it will sell 80% of its iron ore at spot market pricing, a move that satisfies Chinese steelmakers by gaining from falling iron ore prices. Vale and its main Australia's rivals, BHP Billiton and Rio Tinto, moved away in 2010 from a decades-old system of setting prices annually through negotiations between global miners and steelmakers with contracts that set prices according to the average spot price of iron ore over the last few months.

Vale's decision to move to spot iron ore pricing and the announcement from the People's bank of China to ease monetary policy by lowering bank's reserve requirements by 0.5%, to be effective from February 24th, are two positive developments factors for the future strength of dry bulk market.



The Week In Review

In the **dry market**, the sentiment is still pessimistic as normally January and February are seasonally weak months with Chinese buying less iron ore. However, 2012 has begun with severe rate declines compared to 2011 levels with a sentiment for improvement in March upon the return of normal demand from Chinese New Year celebrations. According to China Iron & Steel Association (CISA), China's daily crude steel output rose 1.9 percent in the first 10 days of February as traders replenished their stockpiles following the lunar year holiday encouraging steel mills to raise production in the hope that steel demand will pick up in coming months. China's crude steel production for January 2012 was 52.1 Mt, a decrease of 13% compared to January 2011. Inventories at key Chinese steel mills monitored by CISA reached 10.98 million tonnes by the end of January, the highest since the second half of 2009 and rising 24.5 percent from early January, CISA said in its monthly report. "It will be difficult for demand to improve significantly during end February to early March, and inventories are likely to continue rising," CISA added.

Iron ore prices are dropping as China's stockpiles remain high with the benchmark iron ore price trading at \$US140/tonne in recent months from a record high of \$180/tonne seen last year. Reports suggested that China would raise its standard levy on Chinese iron ore producers from 60% to 80% in a bid to hamper marginal producers of the commodity. The steel market fundamentals have brought very low earnings for all dry bulk carrier vessels, even for smaller ones handies/supras, which were outperforming last year when capesizes and panamax vessels were suffering. Even with a recovery in the steel's industry demand of iron ore the current vessel glut does not leave a lot of optimism for healthier dry earnings above breakeven levels after the end of the first quarter. The move of China to cut banks' reserve requirement ratio may be positive for the future of dry bulk earnings.

The BDI has followed a negative incline this week sliding to levels below 710 points with panamax vessels losing their strength, while capesizes will remain stressed as China's iron ore inventories do not stimulate strong import market sentiment. Approximately 99.3 million tons of iron ore are now stockpiled at Chinese ports, 900,000 tons (-1%) less than was stockpiled a week ago, per Commodore Research data. However, stockpiles are incredibly high and remain close to the 101.5mt record that was set two weeks ago. In terms of thermal coal fixtures volume of activity there has been a slowdown from high power plant and coal port stockpiles combined with poor weather and striking workers in Australia. Coal stockpiles at Qinhuangdao, China's largest coal port, currently stand at about 8.2 million tons, 300,000 tons (4%) more than a week ago. A prompt rebound it is unlikely to be seen due to soft iron ore prices and a fragile Chinese steel market environment that does not stimulate a capesize earnings' growth.

The index closed today at 718 points, up by 0.1% from last week's closing and down by 42% from a similar week closing in 2011 when it was 1,245 points. The highest rate decrease has been in the handysize segment, BCI up 2.9% w-o-w, BPI down 11.9% w-o-w, BSI up 3.2% w-o-w, BHSI up 4.2% w-o-w.

Overall average time charter earnings are still floating at low levels with an upturn in the capesize, a downward trend for panamax and a stronger performance in the supramax and handysize segments.

Capesize average time charter earnings are up by 7.8% w-o-w, panamax down 11.6% w-o-w, supramax up by 3.2% w-o-w and handysize up by 5.2%. Capesizes are currently earning \$5,699/day at similar levels of handysizes, showing an increase of \$413/day from a week ago, while panamaxes are earning \$6,705/day, a decrease of \$882/day. At similar week in 2011, capesizes were earning \$4,653/day, while panamaxes were earning \$14,530/day. Supramaxes are trading at \$6,920/day, up by \$219/day from last week's closing, 21.4% higher than capesize and 3.2% than panamax earnings. At similar week in 2011, supramaxes were getting \$14,483/day up by 109% from the current levels and 211% higher levels than capesizes. Handysizes are trading at \$ 5,980/day; an increase by \$296/day from last week, when at similar week in 2011 was earning \$10,215/day.

In the **wet market**, stronger West African volumes and an active Middle East program from February to March have improved VLCC rates in the Arabian Gulf, while strong activity in the Mediterranean pushed up suezmax and aframax earnings. One VLCC fixture revealed in the period market with South Korean Merchant Marine expanding its fleet with chartered tonnage by tanking the 298,000 dwt built 2011 FPMC C MELODY for up to 5 years from Formosa Plastics. The charter deals involves three firm period year at a rate of \$26,000/day with option for two more. The agreed charter rate is considered fair when one year VLCC rates are at region of \$26,000/day and few owners are willing to charter their vessels for a longer period of time at these rates.

Oil wet operators are still very distressful since earnings have not surpassed the breakeven levels and oil price spikes from Iran tensions are adding additional strains in their operating expenses. The price of Brent crude oil has reached an eight month high by rising to more than \$120/barrel with European Union countries seeking to find new oil suppliers and Iran hunting new buyers for its oil. European oil companies including Total of France, Royal Dutch Shell, Repsol YPF of Spain and Eni of Italy have either stopped buying Iranian oil or have halted spot purchases, industry executives said. Sources reveal that Tehran is trying to sell an extra 500,000 barrels a day of oil, or nearly 23 per cent of what it exported last year, to Chinese and Indian refiners, while it may be forced to put unsold barrels into floating storage that could be beneficiary for very large crude operators.

Under the current geopolitical risks, the price of Brent crude oil seems that will remain high pushing bunkering costs at high levels with wet operators already facing a glut of crude carrier vessels. The world's largest independent oil trader, Vitol, expects crude oil prices to maintain at the current high levels of \$120/barrel for the rest of 2012 and even it is possible to pass \$150/barrel set in mid 2008 because of growing tensions with Iran. Vitol said that revenues rose last year to a record \$297bn, up 44 per cent from \$206bn in 2010, on the back of rising volumes and prices.

In terms of oil supply, OPEC will raise shipments by 0.7% this month as Libya continues to restore its production. A government official stated that Libya's oil production is presently standing at 1.35 million barrels/day, 79% of pre-war levels boosting the number of cargoes heading to European refiners, while more West African crude is going to the Far East to substitute their purchases of Iranian crude. Asian refiners have boosted their imports of West African crude since the start of this year as a result of the resumption of Libyan production,



The Week In Review

refinery closures in Europe and the U.S., and rising tension over Iran. These factors are benefiting demand cargo loadings and the return of crude carrier earnings to more positive levels.

In the **gas market**, Norwegian Investment bank Pareto said in its latest report that if all LNG projects currently filed come to fruition an additional 352 LNG carriers could be needed by 2020. According to the bank, LNG trading volumes could reach 781bn cum by 2020, an increase of 455bn cu.m compared to 2011. The impact of new Australian projects expected to come on stream in that year will increase the demand for vessels to 438, up from 361 last year. Stena Bulk of Sweden is planning to expand its LNG fleet based on LNG projects coming on stream and rising LNG demand. Demand LNG projects are elevated following Japanese earthquake last March and the increasing demand to substitute nuclear power with long term sustainable gas products. China and Japan the most hungry energy countries support the buoyant LNG sentiment. Japan's LNG imports climbed 28.2 percent from a year earlier to 8.15 million metric tons, according to a preliminary report released today by the Ministry of Finance.

Chinese LNG imports will increase 42% this year, according to Arctic Securities. China will consume 17m tones this year, up from 12m tones last year, while Japan will more than double imports of spot LNG in February from a year ago. Estimated 60-70 LNG tankers will be needed to satisfy rising demand up till 2014 according to Stena Bulk.

In the **container market**, the Shanghai Container Freight Index continues to head south by closing on February 17th at 949 points, down by 2% week-on-week with the main Asia to Europe route falling to \$711/TEU from \$733/TEU on January 13th. On February 18th of 2011, the Asia-Europe route was at \$1,246/TEU, up by 75% from the current levels. The other main linehaul routes face also declines with the Asia to Med sliding more than 3% to \$735/TEU and 5% from January 13th at \$772/TEU. The transpacific routes, Asia-USWC and Asia-USEC, show a better resistance with rates at \$1,798/FEU and \$2,943/FEU respectively, up down by 23% and 12% from the levels of November 18th 2011. Three months ago, the Asia-USWC route was paying \$1,460/TEU and the Asia-USEC \$2,626/TEU. The ongoing oversupply and the current economic situation, especially in Europe with a notable lack of demand are the two key factors that prevent a prompt revival for boxship units. There are hopes for some stimulus measures in China and US economy that will stimulate consumer spending, but a real recovery is not likely to be seen before the end of 2013 given the glut of new vessels hitting the water in the next two years. Furthermore, there is little hope for a relief from the scrapping activity since the percentage of overaged, more than 25yrs old, to the existing fleet is minor.

Maersk Line has decided to withdraw 9% of capacity it deploys in the Asia-Europe rate as a response to the dull freight market status when other major liner operators are deciding hefty freight increases to reduce their losses at the current increasing bunker costs. "With this adjustment, we are able to reduce our Asia-Europe capacity and improve vessel utilisation without giving up any market share we have gained over the past two years. We will defend our market share position at any cost, while focusing on growing with the market and restoring profitability," said Maersk Line's chief executive. On the other hand, OOCL said that it will raise freight rates on the eastbound

backhaul leg from North Europe to Asia as of March 15th. The general rate increase will be \$200 per container. The Hong Kong-based carrier said current rates "continue to be below the required level to cover basic operating costs or transportation costs on our North Europe to Asia Trade." OOCL had previously announced a March 1 rate increase of \$800 per 20-foot-equivalent container on cargo moving on the headhaul leg from Asia to Europe. Furthermore, Mediterranean Shipping announced that it will increase freight rates in the transpacific route, from Asia to the U.S. and Canada. MSC said the general rate increase "is in response to the ever increasing bunker price and in order to further recover losses made in 2011 and is therefore of utmost importance to us."

In the **shipbuilding industry**, China's financial institutions are examining the opportunity to provide ship financing for South Korean shipbuilding projects. Bank of Communications of China has recently made an inquiry to the Export-Import bank of Korea about how to provide ship financing for projects that are under construction with Daewoo Shipbuilding and Marine Engineering. In addition, the Agricultural Bank of China is reviewing the ship-financing contract with one unrevealed Korean yard. A Seoul branch manager of Bank of China said that they are studying to draw up a plan to participate financing project in well developed Korean shipbuilding industry.

In the meantime, small shipyards in southeast China's Zhejiang are struggling with some being on the edge of bankruptcy due to lack of new orders. Liu Min, a senior director at Zhejiang Jingang Shipbuilding, which is based in the East China city of Taizhou, noted that the yard didn't receive any orders since last year and orders in hand will be finished in July. Yang Zhonghua, executive deputy general manager of Zhejiang Qiligang Shipbuilding Co, in Zhejiang province also had a similar experience. Rising costs for materials and labour amid dull market conditions have worsened the situation for small shipping companies and shipyards. Industry insiders predicted that more than 30% of the country's small shipyards are likely to go bankrupt this year.

China's Sinopacific Shipbuilding has set up a Hong Kong based owning company Crown Ship to control ships under construction for its own account as a response to the dearth of new shipbuilding orders.

In the **shipping finance**, there are predictions that finance will remain more expensive in 2012 with spreads being two-to four times higher than the levels before 2008 under the current freight and economic uncertainty. Hans Christian Kjelsrud, head of shipping at leading lender Nordea, told Lloyd's List that the bank had taken the policy decision to keep loan volumes flat for the next year or two. Money will be available to its relationship clients at between 250-400 basis points over the London interbank offered rate, with pressure on the upside. "We have probably seen the average loan margin double between early 2008 and now. New loans are priced in the 250 bp-400 bp range and I think we will see the average margin on our loan book continue to increase throughout the year," commented Mr Kjelsrud.

In terms of **ship financing deals**, Precious Shipping, the largest Thai dry bulk shipping company, has signed a \$100 million term loan with Export-Import Bank of Thailand to finance as much as 80 percent of the acquisition costs of new and second-hand vessels.



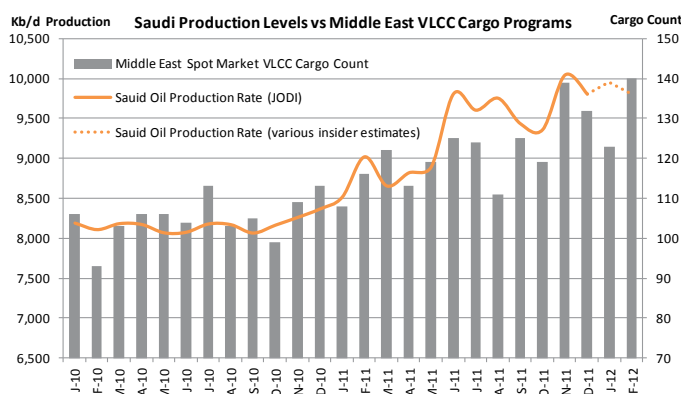
Tanker Market - Weekly Highlights

Oil prices, politics and the tanker market

Determining rate progression prospects in the VLCC sector often hinges on the extent of the Middle East cargo program. In turn, this is dependent on corresponding oil production levels—for which there is little transparency and little reliable data available. Often, expectations must be drawn solely on what Saudi insiders report to the press – given Saudi’s share of spare Middle East capacity.

To this end, there has been a spate of news this week, but timely and truly relevant news has been hard to come by. With the US gearing up for the November presidential election, the highly political implications of oil prices has meant that politicians are watching the oil market with as much interest as the VLCC market – albeit with far different understanding and reactions.

Late last week, the Joint Organizations Data Initiative (JODI), which compiles official Saudi-supplied oil data – released its most recent figures showing a decline in Saudi’s December oil production by some 237,000 b/d from a month earlier to 9.81 Mb/d. The numbers appear to have a correlation with fluctuations to the Middle East cargo program, as much of the higher November production (which, according to JODI, was a three-decade high) was exported that month, before successive declines occurred during December and January. However, we note that the February program – which, at 140 cargoes was a record high for the spot market – shows little correlation with production levels as estimated by various Saudi insiders.



In light of the aforementioned decline in production during December and given the present political issues with Iran which have added a supply risk premium to oil prices and US gasoline prices, members of the US House of Representatives called this week for the Obama administration to tap into the US’ Strategic Petroleum Reserve. The calls for such an unusual move despite the type of supply crunch the reserves were created to alleviate are unlikely to be acted upon, but the political pressure to ease oil prices is apparent. With gasoline prices likely to be a important issue in the 2012 campaign, and with other Western governments already calling for Saudi Arabia to tap into its spare production capacity, the SPR calls are likely to see the White House join in pressuring Saudi Arabia to at least show symbolic production and export hike.

For the VLCC market, any increase in cargoes would certainly aid in better balancing demand with supply.

Contributed by

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Spot Rates	WS	TCE	WS	TCE
VLCC	WEEK 07		WEEK 08	
AG>USG 280 KMT	34.0	34.0	33.0	\$(4,600)
AG>SPORE 260 KMT	55.0	55.0	51.0	\$17,700
AG>JPN 260 KMT	55.0	55.0	51.0	\$19,100
WAFR>USG 260 KMT	57.5	57.5	57.5	\$24,400
WAFR>CHINA 260 KMT	57.5	57.5	57.5	\$24,400
SUEZMAX				
WAFR>USAC 130 KMT	80.0	\$20,100	80.0	\$19,600
B.SEA>MED 135 KMT	90.0	\$29,400	80.0	\$18,300
AFRAMAX				
N.SEA>UKC 80 KMT	87.5	\$16,200	87.5	\$11,700
CBS>USG 70 KMT	140.0	\$24,900	125.0	\$18,100
TRK>MED 80 KMT	85.0	\$7,900	85.0	\$7,300
PANAMAX				
CBS>USAC 50 KMT	140.0	\$16,200	145.0	\$17,500
CONT>TA 55 KMT	125.0	\$13,800	125.0	\$12,600
CPP				
CONT>TA 37 KMT	175.0	\$15,600	190.0	\$18,800
CBS>USAC 38 KMT	145.0	\$10,100	160.0	\$13,200
USG>TA 38 KMT	92.5		97.5	
SPOR>JPN 30 KMT	120.0	\$(600)	120.0	\$(600)
AG>JPN 75 KMT	85.0	\$7,100	85.0	\$7,100
AG>JPN 55 KMT	100.0	\$4,900	100.0	\$4,900

Time Charter Rates \$/day (theoretical)	1 Year	3 Years
VLCC	\$20,000	\$25,000
Suezmax	\$16,500	\$20,500
Aframax	\$13,250	\$16,500
Panamax	\$13,500	\$14,750
MR	\$14,000	\$14,750

THE TANKER MARKETS

VLCC

The lull in activity which gripped the Middle East VLCC market last week persisted this week, causing earlier rate gains in the region to slowly retreat – despite rising bunker prices and correlating TCE earnings erosion. Given the present lull, fewer units are appearing on position lists, particularly those trading in larger fleets and in



Tanker Market - Weekly Highlights

pools, which likely masks a growing supply imbalance. This has not been discounted by the market, where in at least once instance this week a freshly quoted cargo was met with upwards of nine offers. Accordingly, the true level of Middle East production over the past few weeks will dictate the extent of the March program, given normal production to export lag times, which ultimately will determine the imbalance's extent.

In the Middle East market, some 13 fresh fixtures were reported. Of these, all were bound for Eastern destinations, including 11 to the far east and 2 to west coast India. Rates to the far east averaged ws53.79, representing a gain of 1.8 points, w/w, as rates generally held near the mid ws55 level the earlier part of the week. The present assessment is ws53 with a negative bias. TCEs to the far east averaged ~\$23,400/day, a gain of \$2,200/day w/w. The assessment on the AG-USG route commenced the week at the ws35 level but slowly eased 2 points to ws33 presently. At present variables, the AG-USG TCE stands at ~\$(4,200)/day. Prospective triangulated westbound trade earnings averaged ~\$30,600/day, a gain of \$3,100/day from last week as Caribbean-East rates firmed.

To date, some 39 March fixtures have been covered, leaving a potential 28 further cargoes through to mid-month. Against this, some 32 units are projected to be available through the same space of time, though a handful of unreported positions may increase this number. Accordingly, the course of rate progression during the week ahead will likely be dictated by both the pace of fresh activity and the number of units fresh cargo inquiries are met with. Thus, while the market is presently under negative pressure, a surge in fresh activity following the recent lull could hold rates steady – particularly while increasing bunker prices minimize voyage returns. Accordingly, whilst we expect that rates will steady with the possibility even of some improvement, there is unlikely to be much improvement in terms of voyage returns.

In the Atlantic basin, activity held at recent, relatively robust levels with 10 fixtures reported—all of which were bound for the east. Rates in all regions were on the rise as the very limited list of “natural” positions put upward pressure on the market. Eastbound business from West Africa rebounded to the ws57.5 level whilst rates to the east from the Caribbean quickly rebounded to and subsequently steadied around the \$4.8m level. Trans-Atlantic business remained prohibitive due to the more attractive Suezmax sector—a situation which has prevailed for several weeks and has kept USG positions very tight. Interestingly, the AG-USG route is being considered by some players as a backhaul route as such activity essentially matches that on the Caribbean-East route. Ballast units will limit further gains on the ex-West Africa routes during the week ahead whilst a tighter position in the USG/Caribbean region could see rates from there to the east post a further modest gain.

Suezmax

The Atlantic Suezmax market was mostly stable this week around the ws80 level on the benchmark WAFR-USAC route. Trans-Atlantic routes remained relatively active, and centered on USG-bound fixtures. Freight differentials favoring the Suezmax class relative to the larger VLCCS which have experienced tighter Atlantic basin positions; whilst this scenario is likely to remain, a slight buildup of Suezmax tonnage against a decline in fresh cargoes towards the end of the week implies that WAFR-USAC rates could post a slight loss on retesting next week – particularly give the decline in BSEA-MED rates from ws90 to ws80 over the course of the week.

Aframamax

The Caribbean Aframax was softer this week, with the CBS-USG benchmark route shedding 15 points to close at ws125. Fresh inquiry levels have eased whilst tonnage supply remains adequate; accordingly, despite reported weather delays off the US Gulf coast owners were not able to maintain rates at their earlier relatively high levels. With bunker prices firming, stronger resistance by owners could halt further rate losses failing a decline in fresh inquiry.

Panamax

The Caribbean Panamax market was tighter towards the end of the week, prompting a gain of 5 points on the CBS-USAC benchmark route to ws145 from last week's close. With positions remaining tight and bunker prices strengthening, further rate gains are expected to materialize during the start of the week ahead.

CPP

In the Caribbean MR market, the benchmark CBS-USAC route remains largely untested with the few ex-Caribbean voyages performed fixing at levels which would imply about ws160 on the benchmark route. Disinterest in the route by owners who prefer ex-USG activity given the better returns and triangulation prospects as well as rising bunker prices, a slight uptick could be expected during the week ahead. Ex-USG rates rose 7.5 points to ws90 over the course of the week. Owners are presently pushing for rates in excess of ws100 due to higher bunker prices; continued resistance to last done by owners could well see rates approach owners' ideas during the week ahead.

The European market saw gains this week on the back of sustained activity with the benchmark CONT-TA route gaining 15 points from a week ago to close at ws190. With TC2 returns offering ~\$18,800/day against a triangulated USG-CONT + CONT-TA return of ~\$18,900/day, continued ballast units from the USAC is less certain. This, in conjunction with higher bunker prices, should lead to further gains during the week ahead assuming fresh inquiry remains level.

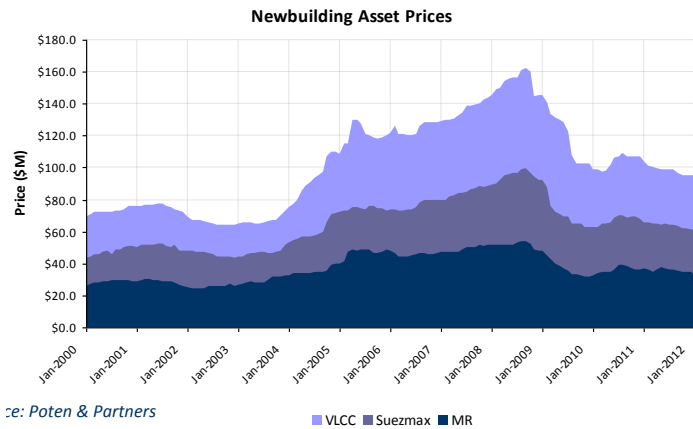


Weekly Tanker Market Opinion

How Much Is That Tanker In The Window?

Between the protracted inaccessibility of credit and mixed optimism on recovery in the freight markets, tanker asset prices have behaved erratically. Absolute price levels and the relationship between prices for newbuildings and secondhand tonnage are driven by the earnings potential of ships with prompt availability. While both newbuilding and secondhand prices have softened in the past year, a disconnect remains between charter rates and asset prices. Movements in asset prices have historically been mirrored across tanker segments, but nowadays varying strengths within the charter market and differences in sector fundamental outlooks could soon be dividing the pack.

The chart below shows assessed newbuilding prices for VLCCs, Suezmaxes and Medium-Range product tankers (47kdw). Current price assessments for a Korean newbuilding, basis a three-year forward delivery, are at discounts to long-term average prices. The average price since 2000 for a VLCC is \$102.4 million, for Suezmax is \$65.2 million and for MRs is \$37.4 million. Presently, MRs are at a discount of 13% to the long-term average with a current assessed price \$32.5 million, while the other two sectors are at a discount of about 7%. From a statistical perspective, MR prices can be seen as already having taken more of a haircut.



Source: Poten & Partners

Additionally, a renewed interest in vessel ordering amongst the MR sector could support asset prices for this sector going forward. Current lackluster fundamentals and the aftermath of the ordering frenzy in 2010 have rightfully deterred independent shipowners from further ordering activity in the VLCC and Suezmax sectors. The chart below shows newbuilding ordering activity by sector since 2010. It is interesting to note that the 13% discount to long-term average prices has already wooed ship owners back to the MR yards. This year, activity has already surpassed half of the total orders placed in both 2010 and 2011.

From an economic standpoint, the charter rates required to achieve a 10% rate of return on investment for VLCCs and Suezmaxes seem like a lofty bet in today's market. Rough calculations indicate that VLCCs would need to earn in excess of \$40,000 per day on

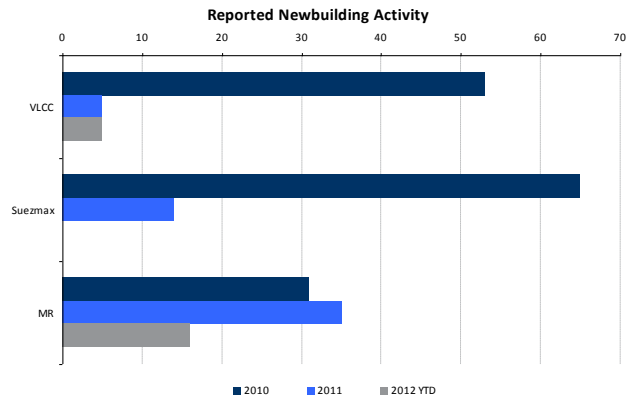
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POTEN & PARTNERS



Source: Poten & Partners

average for the life of the vessel, and Suezmaxes would need to earn upwards of \$30,000. On the other hand, MRs would need to earn around \$19,000 per day. The current year-to-date average rate for MRs on the trans-Atlantic trade UK Continent to US Atlantic Coast has averaged \$15,500 per day. VLCCs Arabian Gulf to Far East has averaged \$22,600 per day, while Suezmaxes have averaged \$18,600 per day on the benchmark West Africa to US Atlantic Coast trade. On this basis, more downside risk is present for VLCC and Suezmax asset prices.

Made to Order

While it should be universally agreed that the tanker market is well-supplied, unfortunately newbuilding orders continue to provide one of the most effective plans for companies looking to grow their presence in a meaningful way. While opportunities to acquire existing assets do exist, the field of fleet deals remains limited and expensive comparatively. Furthermore, ship owners are now forced to weigh the costs associated with older, less efficient designs versus those of new eco-designs. For now it seems newbuilding orders will continue to offer the path of least resistance.

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Weekly Freight Rate & Asset Trends

Tanker Spot Rates									
Vessel	Routes	Week 8		Week 7		±%	2012	2011	
		WS points	\$/day	WS points	\$/day				
VLCC	265k AG-JAPAN	53	25,107	55	30,314	-5%	28,202	18,217	
	280k AG-USG	33	-890	34	1,714	-3%	2,758	2,504	
	260k WAF-USG	60	38,671	60	38,747	0%	43,250	25,714	
Suezmax	130k MED-MED	85	29,092	90	34,030	-6%	33,481	25,125	
	130k WAF-USAC	75	14,425	78	16,946	-3%	21,084	13,373	
	130k AG-CHINA	85	23,333	88	26,061	-3%	24,126	14,815	
Aframax	80k AG-EAST	100	12,046	100	12,657	0%	15,320	12,726	
	80k MED-MED	86	10,506	88	11,599	-2%	13,778	13,577	
	80k UKC-UKC	85	11,467	85	11,877	0%	21,520	18,604	
	70k CARIBS-USG	130	20,631	140	24,860	-7%	18,942	8,240	
Clean	75k AG-JAPAN	85	1,702	86	2,750	-1%	3,764	10,467	
	55k AG-JAPAN	100	1,862	100	2,381	0%	2,979	7,768	
	37k UKC-USAC	190	19,354	165	14,162	15%	13,889	11,022	
Dirty	30k MED-MED	140	14,241	140	14,364	0%	21,432	18,458	
	55k UKC-USG	128	15,294	130	16,513	-2%	14,049	11,266	
	55k MED-USG	120	10,779	120	10,969	0%	11,360	9,676	
	50k CARIBS-USAC	148	18,078	143	16,647	4%	11,086	10,700	

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Secondhand Indicative Market Values (\$ Million) - Tankers							
Vessel 5yrs old		Feb-12	Jan-12	±%	2012	2011	2010
VLCC	300KT DH	64.5	64.0	0.8%	64.5	77.6	87.2
Suezmax	150KT DH	45.9	49.0	-6.4%	47.7	54.4	62.6
Aframax	105KT DH	34.1	37.3	-8.4%	35.9	39.1	44.7
Panamax	70KT DH	29.0	31.9	-9.0%	30.7	35.2	38.8
MR	45KT DH	25.4	26.1	-2.8%	26.0	28.4	26.5

Tanker Time Charter Rates								
		\$/day	Week 8	Week 7	±%	Diff	2012	2011
VLCC	300k 1yr TC		21,000	21,000	0.0%	0	20,063	25,197
	300k 3yr TC		26,500	26,500	0.0%	0	25,856	31,681
Suezmax	150k 1yr TC		16,500	16,500	0.0%	0	16,250	19,837
	150k 3yr TC		20,500	20,500	0.0%	0	20,200	23,830
Aframax	105k 1yr TC		14,250	14,500	-1.7%	-250	14,031	15,707
	105k 3yr TC		16,500	16,500	0.0%	0	16,200	18,335
Panamax	70k 1yr TC		13,500	13,500	0.0%	0	13,250	14,995
	70k 3yr TC		14,750	14,750	0.0%	0	14,450	16,263
MR	45k 1yr TC		14,750	14,750	0.0%	0	14,375	13,918
	45k 3yr TC		15,250	15,250	0.0%	0	14,825	14,738
Handysize	36k 1yr TC		12,500	12,750	-2.0%	-250	12,469	12,471
	36k 3yr TC		13,500	13,500	0.0%	0	13,200	13,412

Secondhand Indicative Market Values (\$ Million) - Bulk Carriers							
Vessel 5yrs old		Feb-12	Jan-12	±%	2012	2011	2010
Capesize	170k	36.8	38.0	-3.3%	37.6	43.5	57.4
Panamax	73K	25.6	27.5	-6.8%	26.8	31.3	39.0
Supramax	52k	22.4	23.5	-4.8%	23.4	25.6	30.2
Handysize	29K	20.8	22.5	-7.8%	22.1	23.5	26.2

Dry Bulker Time Charter Rates								
		\$/day	Week 8	Week 7	±%	Diff	2012	2011
Capesize	170K 6mnt TC		15,875	16,000	-1%	-125	14,997	18,474
	170K 1yr TC		16,000	17,500	-9%	-1,500	17,294	17,138
	170K 3yr TC		17,500	17,500	0%	0	17,513	17,599
Panamax	70K 6mnt TC		11,875	13,000	-9%	-1,125	13,044	17,238
	70K 1yr TC		11,000	11,750	-6%	-750	11,231	14,863
	70K 3yr TC		12,125	12,125	0%	0	11,950	14,500
Supramax	52K 6mnt TC		10,750	10,500	2%	250	10,888	15,587
	52K 1yr TC		11,000	10,750	2%	250	10,950	14,308
	52K 3yr TC		12,250	12,250	0%	0	12,200	14,046
Handymax	45k 6mnt TC		8,750	8,500	3%	250	8,919	13,416
	45k 1yr TC		8,750	8,500	3%	250	8,919	12,450
	45k 3yr TC		10,250	10,250	0%	0	10,325	12,403
Handysize	30K 6mnt TC		7,750	7,500	3%	250	7,950	11,712
	30K 1yr TC		8,000	7,750	3%	250	8,263	11,787
	30K 3yr TC		10,000	10,250	-2%	-250	10,638	12,044

New Building Indicative Market Prices (million\$)							
Vessel		Week 8	Week 7	±%	2012	2011	2010
Bulkers	Capesize 170k	46.5	47.0	-1.1%	47	53	58
	Panamax 75k	27.0	27.5	-1.8%	28	33	35
	Supramax 57k	25.5	26.0	-1.9%	26	30	31
	Handysize 30k	22.0	22.0	0.0%	22	25	27
	VLCC 300k	97.0	97.5	-0.5%	96	102	104
Tankers	Suezmax 150k	58.5	59.5	-1.7%	59	64	66
	Aframax 110k	51.0	51.0	0.0%	51	54	55
	LR1 70k	42.0	42.0	0.0%	42	45	46
	MR 47k	33.0	33.0	0.0%	34	36	36
Gas	LPG M3 80k	71.0	71.5	-0.7%	70	73	72
	LPG M3 52k	62.0	62.5	-0.8%	62	64	65
	LPG M3 23k	45.5	45.5	0.0%	45	46	46





Container Market - Weekly Highlights

Chartering

Vessel (Teu/Hmg)	Index	+/-
510/285 teu (GL) 15.5 k	3.61	▶ 0.00
700/440 teu (GL) 17.5 k	4.05	▶ 0.00
750/415 teu (G) 16 k	4.39	▶ 0.00
1,000/650 teu (G) 17.5 k	4.60	▶ 0.00
1,100/715 teu (G) 19 k	5.67	▶ 0.00
1,350/925 teu (G) 20 k	4.12	▶ 0.00
1,600/1,150 teu (GL) 18 k	5.15	▶ 0.00
1,700/1,125 teu (G) 19.5 k	4.61	▶ 0.00
1,740/1,300 teu (G) 20.5 k	4.73	▶ 0.00
2,000/1,600 teu (G) 21 k	1.94	▼ 0.03
2,500/1,900 teu (G) 22 k	3.50	▶ 0.00
2,800/2,000 teu (GL) 22 k	3.24	▼ 0.02
3,500/2,500 teu (GL) 23 k	2.39	▶ 0.00
4,250/2,800 teu (GL) 24 k	1.72	▶ 0.00
Index Total	53.72	▼ 0.05

begun to reverse build up of prompt tonnage in the Far East, though most have been taken on flexible periods so this progress could change very quickly. The mid-size 1700TEU sector has also remained much the same is seeing enough turnover to hold their value between US\$6000 and US\$6500.

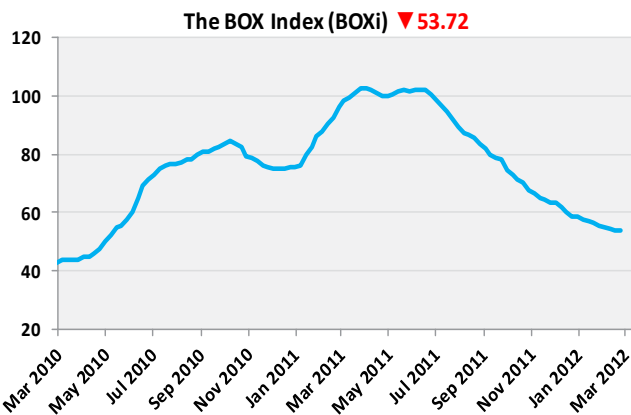
Whilst the smaller end of the market is fairly liquid, there are a number of 8500TEU vessels available in the next few weeks and the market is waiting to see how they hold up given the rates fixed on vessels of circa 6500TEU in capacity. So far they have managed to obtain significant premiums on smaller ships as the economies of scale they purportedly offer has been highly valued given the bunker prices today.

We have also seen the latest round of fourth quarter reporting, though the figures are hardly surprising given the ugly end to last year, they seem to be kick starting the next wave of cost cutting efforts by liner operators.

This week the BOXi remains largely unchanged, the only real change being some notable weakness in the 2800TEU sector with owners of modern ships now willing to accept a year or more at a shade above US\$7,000.

Thus it seems, despite owners' protests, that charterers are having increasing success in forcing owners to accede to 12 months charter at or close to today's spot rates. While this certainly heaps the pressure on, one could see this as a reflection of a widely held view on the part of the operators that the charter market has more or less bottomed out.

Activity on the other hand remains steady, albeit focused on replacement or extension of existing vessels. Fixing in the feeder sizes has



Representative Fixtures

Name	Dwt	Teu	14T	Blt	Spd	Cons	GR	Charterer	Dely	Date	Period	US\$/day
Alexandra P	39,100	2,708	2,200	00	22.5	85	GL	CSC	NE Asia	Feb-12	1-4 mos	7,250
Valentina Schulte	39,000	2,824	2,029	07	22	98	GL	KMTC	SE Asia	Mar-12	12-15 mos	7,100
Bonny	35,600	2,681	2,060	01	21.6	90	G	CMA CGM	Med	Feb-12	3-12mos	7,200
Patria	34,622	2,526	1,856	06	22	93	G	NDAL	NE Asia	Mar-12	2-3 mos	7,150
Frisia Rostock	33,900	2,478	1,903	04	22	86	G	NDAL	UKC	Feb-12	50 days	7,500
Bonavia	30,743	2,063	1,700	95	21	74	G	CMA CGM	Med	Feb-12	3-10 mos	6,850
RHL Astrum	23,600	1,732	1,275	06	21	64	G	MCC	SE Asia	Mar-12	3-6 mos	6,500
Medcoral	21,800	1,496	1,100	09	19.5	45	GL	MCC	SE Asia	Feb-12	2-4 mos	6,150
Wilhelm E	20,406	1,452	1,034	95	18	46	GL	Evergreen	NE Asia	Mar-12	5-8 mos	6,150
WMS Rotterdam	8,400	698	444	05	17	28	GL	Dong Young	NE Asia	Mar-12	6 mos	4,100

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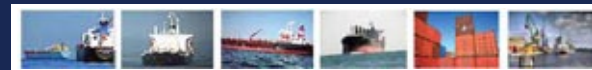
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S&P Secondhand, Newbuilding & Demolition Markets

A record high newbuilding activity came to light this week for the first time since the beginning of the year due to robust offshore business with secondhand purchasing momentum also fetching very high levels due to strong container purchases. The demolition activity has fallen to record low levels since January with bulk carriers still being in the frontline as popular scrap candidates. The highest activity has been recorded in the newbuilding market with 52 new contracts with the demolition activity standing 78% lower than ordering business.

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TOTAL WEEKLY S&P ACTIVITY					
VESSELTYPE	SECOND HAND		DEMOLITION		TOTAL
	Units	Invested Capital	Units	in DWT	
Bulkcarriers	7	60.150.000	6	430.508	13
Tankers *	2	52.500.000	1	147.273	3
Gas Tankers **	2	2.200.000	0	0	2
Liners ***	2	2.400.000	1	38.633	3
Containers	15	79.150.000	1	35.615	16
Reefers	0	0	2	13.944	2
Passenger / Cruise	0	0	0	0	0
Ro - Ro****	0	0	0	0	0
Car Carrier	0	0	0	0	0
Combined *****	0	0	0	0	0
Special Projects *****	0	0	0	0	0
TTL VLSL/Demo	28	196.400.000	11	665.973	39

5 deals reported at an undisclosed sale price

Key: (*) Incl. Crude Oil, Clean & Dirty Products, Chemical, Asphalt & Veg. Oil, (**) incl. LPG, LNG, (***) incl. Multi-purpose and Tweendeckers, (****) incl. Bulk-Ore, Ore-Oil and Bulk-Oil carriers, (*****) incl. Ro-Ro Cargo, Ro-Ro Passenger, (*****) incl. Oil & Drilling Rigs, Tugs, Livestock, Trawlers, Cable/Exploration/Navy/Support Vessels,

A record high newbuilding activity came to light this week for the first time since the beginning of the year due to robust offshore business with secondhand purchasing momentum also fetching very high levels due to strong container purchases. The demolition activity has fallen to record low levels since January with bulk carriers still being in the frontline as popular scrap candidates. The highest activity has been recorded in the newbuilding market with 52 new contracts with the demolition activity standing 78% lower than ordering business.

Overall, 38 transactions reported worldwide in the secondhand and demolition market, up by 8.5% week on week with a 50% higher secondhand buying momentum. At similar week in 2011, the total S&P activity was standing 11% lower than the current levels, when 24 transactions had been reported and secondhand ship purchasing activity was 70% lower than the ordering business.

SECONDHAND MARKET

Dry bulk carriers continue to be on the focus of potential buyers amid the sharp slide of the BDI with containers grabbing for the first time the lion share of the total secondhand purchasing activity this week.

Overall, 28 vessels reported to have changed hands this week at a total invested capital in the region of US\$ 196,4 mil, 5 transactions reported at an undisclosed sale price, with bulk carriers grasping 22% and containers 55.5% share of the S&P activity. Notable sale reported in the crude tanker segment for a suezmax tanker of 150,581dwt built 2004 Japan for \$33,5 mil on subjects, in June 2010 a suezmax tanker of 159,996dwt built 2005 Japan had been reported sold for \$61mil.

In terms of the reported number of transactions, the S&P activity is up by 55% from previous week activity due to high container purchases not seen again for a long time, and up by 65% comparable with previous year's weekly S&P activity when 17 vessels induced buyers' interest at a total invested capital of about \$297,65 million with bulk carriers and tankers holding 39% of the total volume of S&P activity. In terms of invested capital, the container segment appears the most overweight by attracting 42.5% of the total invested capital with bulk carriers and tankers to follow with 27% and 28% share respectively.

WEEKLY NEWBUILDING ACTIVITY					
Vessel Type	Units	in DWT	Invested Capital	P&C	%w-o-w
Bulkcarriers	8	448.000	46.000.000	6	100%
Tankers	8	322.200	216.900.000	2	33%
Gas Tankers	3	157.840	400.000.000	1	-25%
Liners	9	40.300	60.000.000	7	N/A
Containers	0	0	0	0	N/A
Reefers	0	0	0	0	N/A
Passenger / Cruise	0	0	0	0	N/A
Ro - Ro	0	0	0	0	N/A
Car Carrier	0	0	0	0	N/A
Combined	0	0	0	0	N/A
Special Projects	24	64.300	831.500.000	23	700%
TOTAL	52	1.032.640	1.554.400.000	39	189%

Key:! * The total invested capital does not include deals reported with undisclosed contract price

** Deals reported as private and confidential (not revealed contract price)

Fresh offshore contracting activity again monopolized newbuilding business with some worries that the surge in orders will harm the supply-demand balance, but the key driver for a strong offshore support vessel market is the sustained E&P spending by the refineries. According to STX OSV chief Roy Reite with oil trading at above \$100 per barrel the cost of crude oil production is adequately covered, spurring oil explorers to venture to deep waters and



S&P Secondhand, Newbuilding & Demolition Markets

harsher environments. A greater number of offshore support vessels will be required to support oil rigs out at sea, resulting in long term fixtures for platform supply vessels and anchor handling tug supply vessels in the active North Sea market.

At the current slump of freight market along with the glut of new ships, the volume of newbuilding contracts remains subdued in the dry bulk carrier and tanker segments with LNG carriers being the second preferable choice, after offshore support vessels, for newbuilding investors.

Overall, the week closed with a record high of 52 fresh orders reported worldwide at a total deadweight of 1,032,640 tons, posting a 189 % week-on-week increase from a 700% boost in the offshore contracting activity. This week's total newbuilding business is in close parity with similar week's closing in 2011, when 58 fresh orders had been reported with bulk carriers and containers grasping 43% and 24% share respectively of the total ordering activity, whereas now bulk carriers are holding only 15% of the newbuilding business with offshore units being in the frontline with a 46% share. In terms of invested capital, the total amount of money invested is estimated at region \$1,55 billion with 75% of the total number of orders being reported at an undisclosed contract price. In terms of invested capital, the most overweight segment appears to be the offshore by holding 53% share of the total amount invested for newbuilding units.

In the **bulk carrier** segment, Yangzijiang Shipbuilding has secured shipbuilding contracts for seven units at an aggregate contract value of \$206,2 million since January 2012. Ren Yuanlin, executive chairman of the Singapore listed yard, said that the new contracts secured comprise of 4 units of 82,000 dwt bulk carriers, 2 units of 95,000 dwt and 1 unit of 47,500 dwt without revealing the name of contractors for delivery 2013-2015. Furthermore, the Hong based owned company Crown Ship, established by China's Sinopacific Shipbuilding to control ships for its own account to bid the dearth of newbuilding business, has placed 6 units of 63,500 dwt with delivery 2013-2014. Sinopacific builder hopes to resell the units to other owner.

In the **tanker** segment, China Merchants Energy Shipping is planning to expand its fleet by order 10 VLCC units despite the sluggish freight market status. Li Jian Hong, chairman of China Merchants, believes that the time is right to raise their competitiveness through fleet expansion by taking advantage the lower newbuilding prices. China Merchants is working to raise RMB5,56bn (\$882,5mil) to purchase the 10 VLCC newbuildings. In the MR product segment, US based ship-owner has booked two 52,000dwt units in South Korea's SPP Shipbuilding with delivery in the first half of 2014 at a total value of \$73 mil. The contracted MR tanker units can ship 2,000 ton more than existing 50,000 dwt tankers, while they are designed eco friendly with fuel consumption being reduced by about 20%. The order follows a confirmed announced deal from the Greek player Navios Acquisition for the placement of three MR product tankers at an undisclosed Korean yard for a total price of

\$106,5mil for delivery in the second, third and fourth quarter of 2014. Furthermore, Scorpio Tankers has exercised its option for a 52,000 dwt unit in Hyundai Mipo for \$37,4mil with delivery August 2013.

In the **gas tanker** segment, Stena Bulk of Sweden is planning to expand its LNG fleet from an existing three by planning an order of four more LNG carrier newbuildings at a value of \$200 mil each with South Korean shipbuilders, Daewoo Shipbuilding and Marine Engineering and Samsung Heavy Industries based on the positive LNG prospects. The units' size will range between 160,000-174,000 cu.m for delivery in 2014-2015.

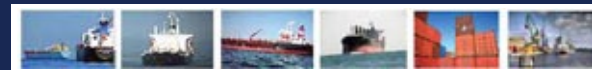
DEMOLITION MARKET

In the demolition market, scrap price levels continue to be soft as supply of tonnage for disposal is surpassing demand under the current sluggish freight market with owners be more than willing to remove their vintage capacity from their fleet. Scrap prices in the Indian subcontinent region for dry units are in the mid / high \$400/ltd and excess \$500/ltd for wet units, while levels in China are still below \$450/ltd. Few deals are reported in the Bangladesh with India still leading the game. Even Bangladesh has opened the market is still very delicate from prompt and timely deliveries as new regulations and paperwork put obstacles in the strength of the major shiprecycling industry.

The week ended with 11 vessels reported to have been headed to the scrap yards of total deadweight 665,973 tons. In terms of the reported number of transactions, the demolition activity has been marked with a 35% week-on-decline due to 50% lower scrapping removals for bulk carriers, tankers and liners, whereas there has been a 47% fall regarding the total deadweight sent for scrap. In terms of scrap rates, the highest scrap rate has been achieved this week in the container segment by India for a 12,861 ldt unit built 1983 at \$502/ltd with sufficient fuel for voyage. Bulk carriers have grasped the lion share of this week's total demotion activity, 55%, with India winning 54% and Bangladesh 18% of the activity. At a similar week in 2011, demolition activity was down by 36% from the current levels, in terms of the reported number of transactions, 7 vessels had been reported for scrap of total deadweight 562,242 tons with bulk carriers grasping 72% of the total number of vessels sent for disposal. India and Pakistan had been offering \$455-\$465/ltd for dry and \$485-\$495/ltd for wet cargo, while Bangladesh market had been inactive from the demolition scene.

GREEK PRESENCE

In the secondhand market, Greek have bought a handysize dry bulk carrier unit of 32,260 dwt built 1999 Japan for \$10,5 mil. In the newbuilding market Greek owners have made their presence in the



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tanker and gas tanker segment. Greek player Navios Acquisition announced the placement of three MR product tankers at an undisclosed Korean yard for a total price of \$106.5mil for delivery in the second, third and fourth quarter of 2014 and Dynagas two LNG units of about 155,000 cu.m in Hyundai of South Korea at a price of \$200 mil each.

NEWBUILDING MARKET – ORDERS

BULK CARRIERS –63,000 DWT 6 units ordered by **Crown Ship** (HK) at **Sinopacific Shipbuilding** (PRC) Price undisclosed. Dely 2013-2014 (Crown Ship has been set by Sinopacific Shipbuilding to control built ships for its own account. The builder hopes to resell the units to other owner) **35,000 DWT** 2 units ordered by **Inok** at **Qinshan** (PRC) Price USD \$ 23 mil each. Dely 2013

TANKERS – 52,000 DWT 2 units ordered by **U.S based owner** at **SPP Shipbuilding** (SKR) Price enbloc USD \$ 73 mil. Dely 1h 2014 **52,000 DWT** 3 units ordered by **Navios Acquisition** (GR) at **undisclosed South Korean yard** (SKR) Price enbloc USD \$ 106.5 mil-\$35.5 mil each. Dely 6/2014, 09/2014, 12/2014 **52,000 DWT** 1 unit ordered by **Scorpio Ship Management** (MON) at **Hyundai Mipo** (SKR) Price USD \$ 37.4 mil each. Dely 8/2013 (Option exercised. Six now ordered) **5,100 DWT Products Carrier** 2 units ordered by **Rosnet** (RUS) at **Zvezda Shipyard** (RUS) Price undisclosed. Dely 2013

GAS TANKERS–73,920 DWT LNG 2 units ordered by **Dynacom** (GR) at **Hyundai** (SKR) Price USD \$ 200 mil each. Dely 2014 (154,880 cu.m. Contractual owner Dynagas. Seven now ordered. Order not confirmed. Size not confirmed) **9,000 CU.M ETHYLENE/LG** 1 unit ordered by **Gas and Heat** (ITL) at **Besiktas** (TRK) Price undisclosed. Dely 2013

LINERS–6,000 DWT 2 units ordered by **ABIS Shipping** (NTH) at **Partner Shipyard** (POL) Price undisclosed. Dely 9/2012, 12/2012, 3/2013, 06/2013 (DP2 fitted) **4,400 DWT** 2 units ordered by **Swire Pacific Offshore** (SPORE) at **ST Marine** (SPORE) Price USD \$ 30 mil each. Dely 6/2014, 09/2014 (Swire will provide major equipment. 650 sq.m. deck space. Special Purpose Ship 2008 compliant. Deep water service. Latest DP technology. Havyard 844XL design. Six now on order.) **4,000 DWT** 4 units ordered by **OK Tedi Mining** (PAPA NEW GUINEA) at **Keppel Batangas** (PHIL) Price undisclosed. Dely 6/2013, 7/2013, 8/2013 (Mini bulker. Subcontracted from Keppel Singmarine, Singapore) **3,500 DWT** 1

units ordered by **Hartsmann Seatrade** (NTH) at **Partner Shipyard** (POL) Price undisclosed. Dely 12/2013

SPECIAL PROJECTS – 14,000 DWT (Heavy Lifting) 1 unit ordered by **Jumbo Shipping Co. SA** (SWITZ) at **Split** (CRT). Price undisclosed. Dely 7/2013 (2 X 1100t Hisman cranes will be fitted at Schiedam, Holland after delivery) **4,500 DWT** (Anchor handling) 5 units ordered by **Edison Chouest Offshore** (USA) at **Remontowa Gdansk** (POL). Price undisclosed. Dely 10/2012, 12/2012, 5/2013, 8/2013, 10/2013 (MMC 887CD) **2,500 DWT** (Anchor handling) 5 units ordered by **Coastal Contracts BHD** (MAL) at **Foujian Southeast** (PRC). Price undisclosed. Dely 10/2012, 12/2012, 1/2013, 4/2013, 5/2013 (DN 59M design) **2,500 DWT** (Anchor handling) 5 units ordered by **Nam Cheong** (MAL) at **Foujian Southeast** (PRC). Price undisclosed. Dely 2013 (Six now ordered. DN 59M design) **700 DWT** (Anchor handling) 4 units ordered by **Tai Kong Trading** (SPORE) at **United Sindo Perkasa** (INDO). Price undisclosed. Dely 6/2013, 7/2013, 11/2014, 12/2014 (**Drill ship**) 1 unit ordered by **Ensco International** (USA) at **Samsung** (SKR). Price undisclosed. Dely 2013 (**Drilling rig**) 1 unit ordered by **Odfjell Drilling** (NOR) at **Daewoo** (SKR). Price USD \$ 618.5 mil. Dely 6/2014 (GVA 7500 design. Long term charter to BP) (**Heavy Lift jack up**) 1 unit ordered by **Hochtief Solutions** (GER) at **Crist** (POL). Price undisclosed. Dely 2013 (The vessel will be used for the installation of offshore wind farms, it will be fitted with a 1,200 tonne crane and will have the ability to work in water down to 50m) (**Jack up RIG**) 1 unit ordered by **Safin Gulf FZCO** (DUBAI) at **Sembcorp Marine** (SPORE). Price USD \$213 mil. Dely 11/2012 (Construction will be undertaken by Sembcorp's PPL Shipyard, with delivery in November 2012. The fast delivery underlies the fact that Sembcorp Marine had developed a prototype earlier. This is the second jackup rig purchased by Safin Gulf from Singapore rig builders in the past six months—Safin ordered a KFELS B Class jack-up from Keppel in October 2011 for \$199M. Safin Gulf is a relatively new entrant that is serious about getting into the offshore business. It is part of Austria's Safin GmbH, which is primarily involved in trading in commodities such as steel, coal and oil, as well as mining.)

Key: HK: Hong Kong, PRC: China, SKR: South Korea, GR: Greece, MON: Monaco, RUS: Russia, ITL: Italy, TRK: Turkey, NTH: Netherlands, POL: Poland, SPORE: Singapore, NTH: Netherlands, SWITZ: Switzerland, CRT: Croatia, MAL: Malaysia, NOR: Norway, GER: Germany, Dely: Delivery



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