MR Tanker Market Summary & Outlook

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MR Sector Issues/Concerns

- Near-Term
  - State of spare refining capacity ("dearness of refined products") and projected oil demand growth
  - OPEC production cuts – market psychology impact
  - Vessel supply growth
  - Vegoil issues
    - Conversion of older tonnage – how many and how soon
    - Previously utilized fleet is old – approx. 130 Non –Chemical MR's → abt 120 pre '90 blt The avg age of this portion will be 26+ as of Jan '07
  - Winter season dynamics going forward
    - Inventories in Atlantic Basin – interplay of oil supply with overall tanker market -- impact of OPEC cuts
    - Lack of "typical winter weather early in season" in Atlantic Basin – North America & Europe
      - Foreshadowing summer issues – weak spring melt – low river levels in Europe → sub optimal use of nuclear plants → power requirements to be met from alternative energy sources (?? fuel oil → Pmx/MR's to be impacted ??)
- Orderbook & Phase-outs
- 2009+ → Impact of Refinery Expansion (AG/India)

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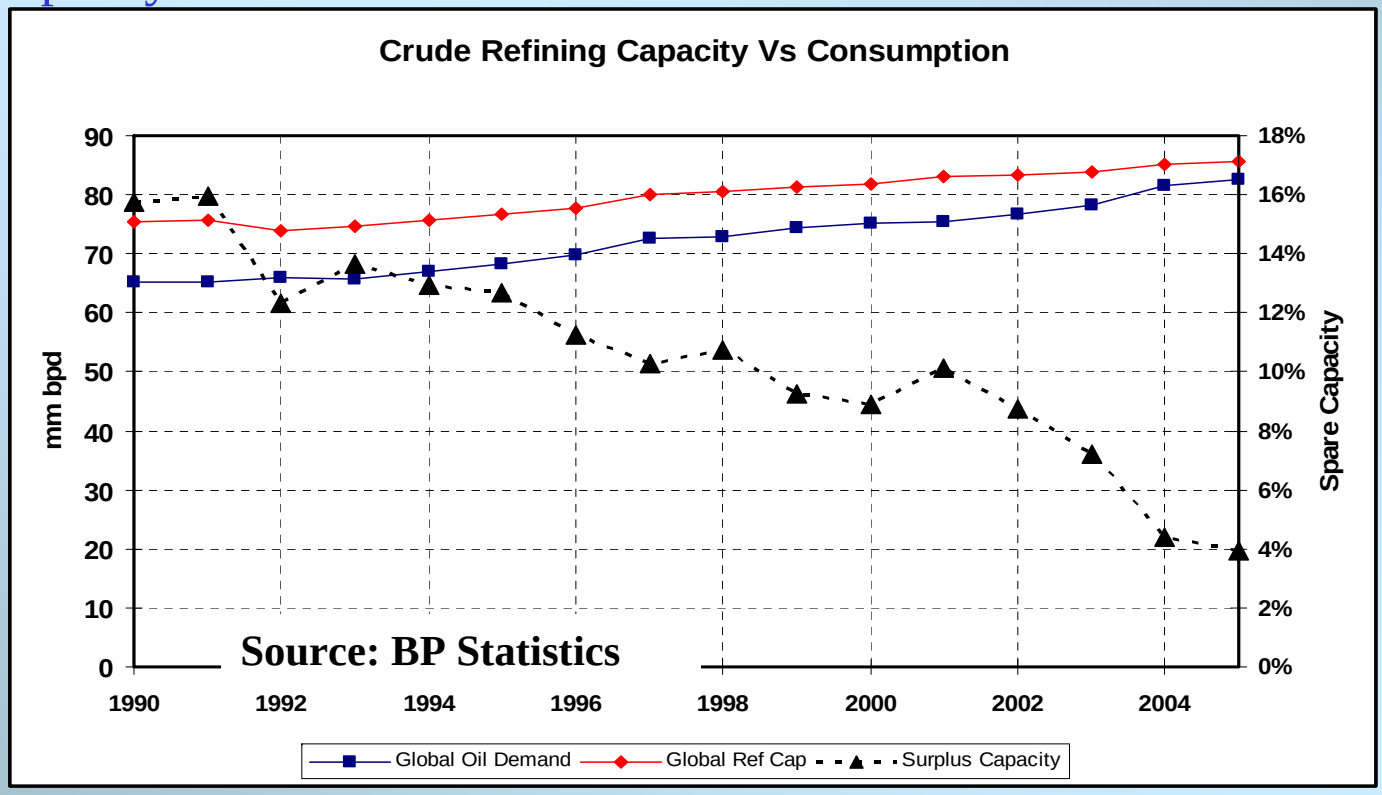
The Decline of Spare Capacity

- **2004** surges in oil demand strained spare capacity for both producing and refining – **this laid the foundation for the current concern in this area**
  - Following 2 years of reduced OPEC/AG production in 2001 and 2002, demand increased in '03/'04 – OPEC production increased approx 5 mm bpd in 2 yrs – impacting spare capacity

- **Since 1990 two 3-yr periods of strong demand growth**
- 1995-1997 demand growth surge began when spare capacity was about 12% -- by '97 it was still over 10% .
- 2003 to '05 saw spare capacity go from 9% beg '03 to 4% end '05

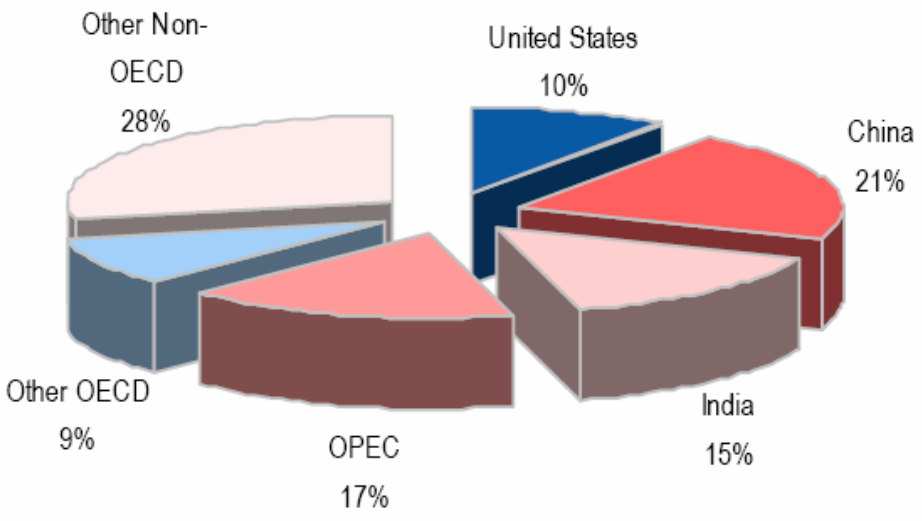


Future Refined Product Capacity Growth

Additional Refinery Capacity

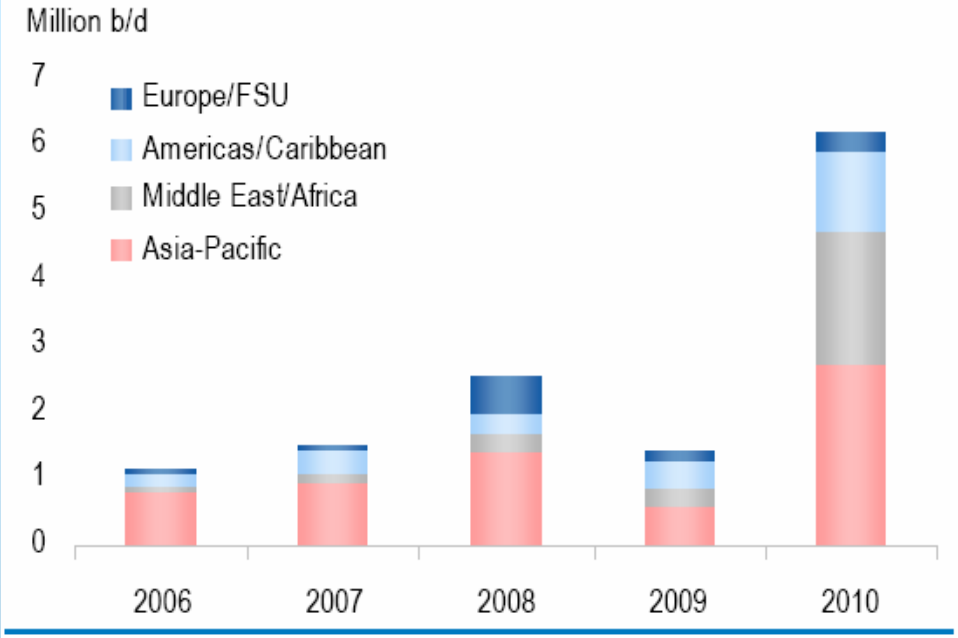
- Additional Atlantic basin capacity has come from and will likely continue to come from the expansion of existing facilities -
- Environmental and legal issues in the west resulting in additional refineries being planned/built/expanded closer to crude source – see chart below for refinery capacity growth by region
- By decades end total additions are estimated to be approximately 12 mm bpd*

Projected Capacity Additions by Country/Region



Distillation capacity only. Measures % of total refining capacity growth from 2006-2010 by country and region. *Source: JPMorgan Energy Strategy, IIR, OGJ, media, govnt and company reports.*

Projected Distillation Capacity Additions by Region



Source: JPMorgan Energy Strategy, IIR, OGJ, media, govnt and company reports.

* Source JP Morgan – Anticipating the Next Big Refinery Build Out

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Historic Oil Demand Growth

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	YTD 11/06	YTD 10/06	YTD 8/06
World	0.57%	0.89%	0.64%	0.27%	0.19%	3.34%	3.23%	2.46%	0.59%	1.58%	0.23%	1.06%	0.70%	1.93%	4.37%	1.88%	0.74%	0.89%	0.93%	0.71%
	|---------- 0.51% p.a. ----------|					|------ 2.92% p.a. ------|			|---------- 0.82% p.a. ----------|			|------ 2.65% p.a. ------|					

- Since 1990 global demand growth has grown an average of 1.5% (1.6% since '97) but arrived at this point in a 5–3–5–3 pattern (5 yrs slow growth, 3 yrs rapid, 5 slow 3 rapid -- ?? entering slow period?).
- Additionally, when growth rate expands -- heavily Non-OECD driven
- Commentary – last valid 2006 data in August ?? – Katrina impact – implies potential demand data issues until March/April of this year

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	YTD 11/06	YTD 10/06	YTD 8/06
World	0.57%	0.89%	0.64%	0.27%	0.19%	3.34%	3.23%	2.46%	0.59%	1.58%	0.23%	1.06%	0.70%	1.93%	4.37%	1.88%	0.74%	0.89%	0.93%	0.71%
	|---------- 0.51% p.a. ----------|					|------ 2.92% p.a. ------|			|---------- 0.82% p.a. ----------|			|------ 2.65% p.a. ------|					
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	YTD 11/06	YTD 10/06	YTD 8/06
Non-OECD	0.62%	0.85%	(2.68)%	(0.28)%	(4.27)%	8.11%	4.44%	3.62%	1.15%	0.69%	0.34%	2.73%	1.86%	2.88%	8.99%	3.81%	2.80%	2.85%	2.96%	2.92%
	|---------- (1.18)% p.a. ----------|					|------ 5.12% p.a. ------|			|---------- 1.32% p.a. ----------|			|------ 4.97% p.a. ------|					

- Full year '06 information* indicates demand fell in OECD (though less then prelim estimates) Non-OECD growth similar to '05 – Through 8/06 – OECD (400k+) bpd & Non-OECD 1 mm+ bpd – by Yr. end Katrina impact reduced OECD demand drop to (325k) bpd while Non-OECD up 950k bpd

  * Basis Energy Intelligence Group (EIG)
  - U.S., W. Europe & Japan all down a combined 210k+ bpd & China up 400k bpd & India 100k bpd
- **Continued Non-OECD growth requires continued shield from world mkt prices – this requires OECD to continue to buy Non-OECD products – Global eco. growth**

Demand And Inventories

End 2006 Picture/Early 2007

- Oil demand growth slowing in face of rising prices
  - Easing demand felt most in developed world
  - Inventories robust throughout year assisted by Contango Pricing– in U.S. and Europe – product stks easing until yr end, but mild winter early winter proceeds to reverse trend
  - OPEC announced production cuts – **(A)** 1.2 mm bpd as of Nov. 1 – pragmatically wait for December #'s to gain true picture of compliance – prelim info that cuts abt 100k bpd over target **(B)** subsequent 500k bpd cut commencing Feb 1 – **"stocks to return to avg levels" Mid/late Spring '07?? – OPEC Compliance appears to be about 75% as of Jan. '07**
  - **Seasonal rebound in refining margins late winter into spring**
- IEA proj. demand growth ended 2006 on the decline but outlook has recovered somewhat – March #'s - 1% '06/1.8% '07 (about 850k/1.5mm bpd)
  - Caution should be paid to fact that following a February increase to above #'s IEA has eased Q1 estimates, but balanced them by raising Q4 projections
    - Projections for 2007 from other industry forecasters are somewhat softer -- the Energy Intelligence Group is projecting demand growth of 1.4%/1.2 mm bpd – note this is also an increase vs. earlier projections
- **Major question remains -** After inventories tighten and OPEC cuts end **<u>will</u>** additional oil be demanded or will spare capacity begin to increase

Vessel Supply - MR

- MR's are often thought of as one tanker sector – what this encompasses though varies depending upon ones perspective
  - Major directories include all vessels 10 to 60,000 dwt - 2006 began with nearly 1,350 of what are classified as "Handy tankers" in this size range. It is about 1,450 as 2007 began – this excludes specialty and IMO 1&2 chemical vessels that combine for over 900 tankers – "specialty" broken out as other on subsequent slides
  - Many of the tankers can also have the capability to service different markets
  - In order to be relevant to the user, information for this size range needs to be classified into sectors that are broken into size and type ranges

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MR Tanker Supply

Projected Jan. '07 & Dec. '06 Orderbook

Summary 10 to 30k Dwt Tankers Fleet

	1/07	Δ Since 1/06
Non IMO 1 or 2	495	(9)
Excl. Other	430	(9)

	300	195	
	10 to 20k	20 to 30k	Totals
Products	88	104	192
IMO 3	49	24	73
Tankers	122	43	165
Other*	41	24	65
Orderbook - 2/07 (Product & IMO 3)	45	3	48
IMO 1 & 2	451	103	554
Orderbook - 2/07	308	30	338

Summary 30 to 60k Dwt Tankers Fleet

	1/07	Δ Since 1/06
Non IMO 1 or 2	1,069	84
Excl. Other	987	84

	428	551	90	
	30 to 40k	40 to 50k	50 to 60k	Totals
Products	140	307	52	499
IMO 3	180	184	14	378
Tankers	62	31	17	110
Other*	46	29	7	82
Orderbook - 2/07 (Product & IMO 3)	86	229	169	484
IMO 1 & 2	157	124	2	283
Orderbook - 2/07	34	58	0	92

* Consists of Replenishment Methanol, Juice, Corrosive and other Specialty Tankers

Quick Stats

- Non Specialty (excl. chemicals & other) – 2/3 30 to 60k/1/3 10 to 30k
  - Orderbook 10 to 30k → incl. 25 '06 deliveries is approximately 25% of PPC/IMO 3
- IMO 1 & 2 – 2/3 10 to 30k/1/3 30 to 60k – orderbook 70% 10 to 20k/ about 25% 30 to 60k

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MR Tanker Supply
Age Profile By Tanker Type

Summary 10 to 30k Dwt Tankers Fleet By Age Range And Tanker Type

	1/07	Δ Since 1/06
Non IMO 1 or 2	495	(9)
Excl. Other	430	(9)

	Products			IMO 3			Tankers			Other			IMO 1 & 2		
	192			*73*			*165*			*65*			*554*		
	88	*104*		*49*	*24*		*122*	*43*		*41*	*24*		*451*	*103*	
	10 to 20k	20 to 30k		10 to 20k	20 to 30k		10 to 20k	20 to 30k		10 to 20k	20 to 30k			10 to 20k	20 to 30k	
>25	23	11	34	9	1	10	67	29	96	14	6	20	>25	13	12	25
21 - 25	19	52	71	19	7	26	21	10	31	11	4	15	21 - 25	45	30	75
16 - 20	4	30	34	6	4	10	9	2	11	2	3	5	16 - 20	27	8	35
11 - 15	19	9	28	3	2	5	11	2	13	7	8	15	11 - 15	54	4	58
6 - 10	8	0	8	3	1	4	9	0	9	4	3	7	6 - 10	122	16	138
1 - 5	15	2	17	9	9	18	5	0	5	3	0	3	1 - 5	190	33	223
Orderbook - 2/07													Orderbook - 2/07			
Total - 48	45	3											Total - 338	308	30	
2007	33	2	35										2007	153	8	161
2008	9	1	10										2008	100	13	113
2009	3	0	3										2009	48	8	56
2010	0	0	0										2010	7	1	8
2011	0	0	0										2011	0	0	0

Other Tankers Consist of Replenishment Methanol, Juice, Corrosive and other Specialty Tankers

*** Product and IMO 3 orderbooks are combined**

- 20-30k dwt portion likely to have void developing – nearly 2/3 of the approx.175 non specialty 20-30k dwt vessels are over 20 years of age with 3 on order.
  - About 135 vessels are 25-30k dwt – void from older portion to be filled by 35 to 40k orderbook ??
- The chemical fleet is heavily concentrated in the smaller sizes and young -- over half the fleet is 10-20k dwt & about 550 of the 850+ IMO 1/2 fleet is under 10 yrs of age (see slide after next for rest of fleet detail – 30 to 60k dwt)
  - The smaller dwt will be growing dramatically -- near 50% of 10-20k fleet is on order, but demand growth for segment to be longer haul – vegoil related

MR Tanker Supply
Age Profile By Tanker Type

10 to 30 MR Fleet Profiled By Percentile

Summary of 10 to 30k Dwt Tankers Fleet By Percentile

Non - Chemical or Specialty Tankers

	Basis Product & IMO 3 Only			Basis Product, IMO 3 & Tankers		
	10 to 20k	20 to 30k		10 to 20k	20 to 30k	
>25	23%	9%	5%	38%	24%	14%
21 - 25	28%	46%	11%	23%	40%	13%
16 - 20	7%	27%	5%	7%	21%	6%
11 - 15	16%	9%	4%	13%	8%	5%
6 - 10	8%	1%	1%	8%	1%	2%
1 - 5	18%	9%	4%	11%	6%	4%
Orderbook - 2/07						
	33%	2%	18%	17%	2%	11%
2007	24%	2%	13%	13%	1%	8%
2008	7%	1%	4%	3%	1%	2%
2009	2%	0%	1%	1%	0%	1%
2010	0%	0%	0%	0%	0%	0%
2011	0%	0%	0%	0%	0%	0%

Summary of 10 to 30k Dwt IMO 1 & 2 Fleet By Percentile

	IMO 1 & 2		
	10 to 20k	20 to 30k	
>25	3%	12%	5%
21 - 25	10%	29%	14%
16 - 20	6%	8%	6%
11 - 15	12%	4%	10%
6 - 10	27%	16%	25%
1 - 5	42%	32%	40%
Orderbook - 2/07			
	68%	29%	61%
2007	34%	8%	29%
2008	22%	13%	20%
2009	11%	8%	10%
2010	2%	1%	1%
2011	0%	0%	0%

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MR Tanker Supply
Age Profile By Tanker Type

Summary 30 to 60k Dwt Tankers Fleet By Age Range And Tanker Type

	1/07	Δ Since 1/06
Non IMO 1 or 2	1,069	84
Excl. Other	987	84

	Products				IMO 3				Tankers				Other			
	499				*378*				*110*				*82*			
	140	*307*	*52*		*180*	*184*	*14*		*62*	*31*	*17*		*46*	*29*	*7*	
	30 to 40k	40 to 50k	50 to 60k		30 to 40k	40 to 50k	50 to 60k		30 to 40k	40 to 50k	50 to 60k		30 to 40k	40 to 50k	50 to 60k	
>25	34	6	4	44	2	1	0	3	31	3	6	40	15	2	1	18
21 - 25	30	26	11	67	2	17	4	23	3	13	8	24	6	1	6	13
16 - 20	25	37	0	62	0	8	2	10	9	6	1	16	6	11	0	17
11 - 15	13	49	1	63	6	19	0	25	18	8	2	28	11	1	0	12
6 - 10	13	48	0	61	50	37	0	87	1	1	0	2	7	7	0	14
1 - 5	25	141	36	202	120	102	8	230	0	0	0	0	1	7	0	8
Orderbook - 2/07																
Total - 484	86	229	169													
2007	41	75	30	146												
2008	31	79	59	169												
2009	8	57	57	122												
2010	6	18	23	47												
2011	0	0	0	0												

Other Tankers Consist of Replenishment Methanol, Juice, Corrosive and other Specialty Tankers

	IMO 1 & 2			
	283			
	157	*124*	*2*	
	30 to 40k	40 to 50k	50 to 60k	
>25	28	1	0	29
21 - 25	27	7	0	34
16 - 20	4	15	0	19
11 - 15	18	11	0	29
6 - 10	34	29	0	63
1 - 5	46	61	2	109
Orderbook - 2/07				
Total - 92	34	58	0	
2007	6	15	0	21
2008	9	14	0	23
2009	10	19	0	29
2010	8	9	0	17
2011	1	1	0	2

*** Product and IMO 3 orderbooks are combined**

- Over 250 non-chemical or specialty deliveries in last 5 yrs 40-50k (specifically 45/50k).
  - Near 250 more on order, but void noted in 25-30 to pull 30-40k, which in turn will pull 40 to 50k -- note age of 30-40k portion
  - Orderbook likely to provide pressure, but not as strong as some fear
- Non product portion of sector largely ignored.
- Negligible increase in long-haul portion of IMO 2 fleet for new vegoil transport delivering during year

MR Tanker Supply
Age Profile By Tanker Type

30 to 60 MR Fleet Profiled By Percentile

Summary of 30 to 60k Dwt Tankers Fleet By Percentile

Non - Chemical or Specialty Tankers

	Basis Product & IMO 3 Only				Basis Product, IMO 3 & Tankers			
	30 to 40k	40 to 50k	50 to 60k		30 to 40k	40 to 50k	50 to 60k	
>25	11%	1%	6%	5%	18%	2%	12%	9%
21 - 25	10%	9%	23%	10%	9%	11%	28%	12%
16 - 20	8%	9%	3%	8%	9%	10%	4%	9%
11 - 15	6%	14%	2%	10%	10%	15%	4%	12%
6 - 10	20%	17%	0%	17%	17%	16%	0%	15%
1 - 5	45%	49%	67%	49%	38%	47%	53%	44%
Orderbook - 2/07								
	27%	47%	256%	55%	23%	44%	204%	49%
2007	13%	15%	45%	17%	11%	14%	36%	15%
2008	10%	16%	89%	19%	8%	15%	71%	17%
2009	3%	12%	86%	14%	2%	11%	69%	12%
2010	2%	4%	35%	5%	2%	3%	28%	5%
2011	0%	0%	0%	0%	0%	0%	0%	0%

Summary of 30 to 60k Dwt
IMO 1 & 2 Fleet By Percentile

	IMO 1 & 2			
	30 to 40k	40 to 50k	50 to 60k	
>25	18%	1%	0%	10%
21 - 25	17%	6%	0%	12%
16 - 20	3%	12%	0%	7%
11 - 15	11%	9%	0%	10%
6 - 10	22%	23%	0%	22%
1 - 5	29%	49%	0%	39%
Orderbook - 2/07				
	22%	47%	0%	33%
2007	4%	12%	0%	7%
2008	6%	11%	0%	8%
2009	6%	15%	0%	10%
2010	5%	7%	0%	6%
2011	1%	1%	0%	1%

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Sector Issues/Concerns

Orderbook & Phase-outs

- Near 225 25 to 40k dwt vessels to phase-out by 2010 – Only 97 on order
- Comprises
  - Three-fourths of 25-30k
  - Four out of ten of the 30 – 35k
  - About a third of the 35-40k
- Scenario different for 40-50k and 50-60k ranges →25-40k to absorb larger dwt NB's?

Total to be phased-out	32	102	47	67
Of CPP/IMO 3 & Uncoated	2.3%	7.5%	3.5%	4.9%
Of Dwt Range	86.5%	77.9%	39.5%	28.0%
	|------ 134 ------|		|------ 114 ------|	
	|----- 79.8% -----|		|----- 31.8% -----|	
	20 to 25k	25 to 30k	30 to 35k	35 to 40k
2005	21	11	12	15
2006	1	2	8	2
2007	2	5	10	13
2008	4	20	1	5
2009	1	10	3	7
2010	3	54	13	25
Orderbook - 2/07				
Total on Order	2	1	0	86
2007	1	1	0	41
2008	1	0	0	31
2009	0	0	0	8
2010	0	0	0	6
2011	0	0	0	0

Total to be phased-out	35	26
CPP/IMO 3 & Uncoated	2.6%	1.9%
Of Dwt Range	20.7%	7.8%
	|------ 61 ------|	
	|----- 12.2% -----|	
	40 to 45k	45 to 50k
2005	0	0
2006	2	0
2007	6	2
2008	8	10
2009	6	0
2010	13	14
Orderbook - 2/07		
Total on Order	30	199
2007	12	63
2008	12	67
2009	6	51
2010	0	18
2011	0	0

Total to be phased-out	13	19
CPP/IMO 3 & Uncoated	1.0%	1.4%
Of Dwt Range	22.0%	86.4%
	|------ 32 ------|	
	|----- 39.5% -----|	
	50 to 55k	55 to 60k
2005	2	2
2006	0	0
2007	1	5
2008	4	4
2009	1	4
2010	5	4
Orderbook - 12/06		
Total on Order	169	0
2007	30	0
2008	59	0
2009	57	0
2010	23	0
2011	0	0

Sector Issues/Concerns

2009+ → Impact of "Export" Refinery Expansion (AG & India)

- Atlantic Basin any incremental growth much longer-haul
- Pacific Basin benchmark route is Spore/Japan growth – incremental growth in distance not that large, growth in demand to come from China imports

Refiner	Country	Estimated Completion	Capacity Addition [kbd]
Reliance Industries	India	2008	540
Egyptian General Petroleum Corp.	Egypt	2009	130
Oil & Natural Gas Corp.	India	2010	150
Kuwait National Petroleum Corp.	Kuwait	2010	615
Saudi Aramco	Saudi Arabia	2010/11	400
Saudi Aramco	Saudi Arabia	2010/11	400
Abu Dhabi's IPIC	UAE	n/a	500
Hindustan Petroleum	India	n/a	300
Petrobras	Brazil	2014	500

Source: JPMorgan Energy Strategy, IIR, OGJ, media, gov't, and company reports.

Disch Region	Exisitng Route	Approx Delivery	New Route Lifting From India	New Route Lifting From AG
N. Amer.	CBS/USAC	20 to 25k bpd	6 to 7k bpd	7 to 9k bpd
	UKC/USAC	12 to 15k bpd		
		38 - 42k Lift	38 - 42k Lift	38 - 42k Lift
Euro	X-Med	45 to 57k bpd	7 to 9k bpd	7 to 8k bpd
	USG/UKC	9 to 11k bpd		
		38 - 42k Lift	38 - 42k Lift	38 - 42k Lift
Asia	Spore/Jpn	9 to 11k bpd	8 to 11k bpd	7 to 9k bpd
		38 - 42k Lift	38 - 42k Lift	38 - 42k Lift

- Increased deliveries of Pmx and Afra coated vessels to provide competition

Indian Refinery Expansion

- Refining capacity is projected to expand by nearly 2 mm bpd → It isn't just Reliance …

India's Refinery Expansion

Company	Location	Existing	New	Completion
Indian Oil	Panipat	240	60	2007-08
Hindustan	Mumbai	110	44	2007-08
Hindustan	Vizag	150	17	2007-08
Essar	Vadinar	210	70	2007-08
Indian Oil	Chennai	210	20	2008-09
Reliance	Jamnagar	660	580	2008-09
Indian Oil	Haldia	120	30	2009-10
Bharat	Bina	0	120	2009-10
Bharat	Kochi	150	40	2009-10
Mangalore	Mangalore	194	106	2009-10
Hindustan	Vizag	150	133	2010-11
Hindustan	Bhatinda	0	180	2010-11
Indian Oil	Paradip	0	300	2011-12
Total			**1,840**	

'000 b/d.

← Source: PIW 1/8/07

Coated Pmx/Afra Sectors

Afra PPC By Year Built

<1988	26	<1998	63
1988	8	1998	9
1989	5	1999	12
1990	6	2000	6
1991	4	2001	3
1992	2	2002	6
1993	0	2003	9
1994	2	2004	10
1995	0	2005	10
1996	4	2006	13
1997	6		
'88-'97	37	**'98-'06**	78
		On order: (as of 2/07)	56
		2007	8
		2008	11
		2009	26
		2010	11

Pmx PPC By Year Built

<1988	33	<1998	51
1988	1	1998	1
1989	1	1999	4
1990	3	2000	2
1991	3	2001	3
1992	2	2002	1
1993	4	2003	15
1994	1	2004	29
1995	2	2005	25
1996	1	2006	31
1997	0		
'88-'97	18	**'97-'06**	111
		On order: (as of 2/07)	109
		2007	47
		2008	25
		2009	34
		2010	3

- Note: Coated aframax on order are approaching the number that are over 10 years of age – primary competition from Pmx – degree to be determined by logistics – storage, port issues, cargo stems etc..

Tanker Sector Outlook

MR – Near-Term

- Influx of new tonnage remains a concern – 2007 is the middle year of a 3yr period that will deliver nearly 450 vessels in the key 35 to 55k range – this will need to be balanced by:
  - The new IMO regs concerning vegoils provide the potential to exert counteracting pressures
  - Preliminary information is anecdotal, but experiencing 25% - 50% increase in voyage charter rates -- Indo/Rotterdam ($26k to $32k Dec to Jan) and Argentina/China (low $40's/MT to $62.50/MT → December to January change)
  - Growth in demand thru increased actual growth, import growth, logistic inefficiencies such as contango pricing or other bottlenecks …
  - New Spec changes for motor diesel in the U.S impacting logistical efficiency. …
- U.S. spec changes that reduce sulfur content limits from 500 ppm to 15 ppm – as the concern has arisen from pipeline contamination as it will from last cargo increasing cleaning issues – reducing effective supply
- Regarding the new IMO regs they will/have begun to recreate the vegoil fleet
  - Has consisted of oldest element of MR fleet – in 2004 was 150+ vessels mostly 30-45k dwt vessels -- 85% of which were old product carriers – avg vessel built 1981 – the age of these vessel will average 26 when new rules are implemented (only 8 blt after 1990)
- Preliminary information relating to OPEC cutbacks indicate that inventories in the OECD have dropped significantly providing the potential for upside to rates due to U.S. driving season and Q 4 seasonal increase in global demand

Tanker Sector Outlook
MR – Beyond Near-Term

- The outcome for this sector will be the result of counteracting drivers – increased demand vs. increased supply
  - Increased demand coming from export oriented refineries being built near crude sources in AG & India – 5+ mm bpd capacity targeted for completion by decades end in these regions
- The orderbook is large and this issue is often raised by pundits, but what isn't discussed is…
  - It will take over 3 vessels carrying product from an AG or Indian refinery to equate to 1 vessel from a Caribbean refinery in providing imports to the USAC
- Tempering supply growth is the fact that a large percentage of fleet will be impacted by IMO mandated phase-outs
  - Basis Product Carriers, IMO 3 and uncoated vessels – there were approx 1,340 vessels as of Jan'06 and we project 1,450+ as of Jan. '07 --- 10 to 60k dwt
  - About 450 or about 31% of Jan. '07 fleet is S/H and about 150 or about 10% are D/B or D/S – more than 4 in 10 will therefore face IMO phase-out issues (but 40% of the approx 450 S/H vessels are sub 30k).
    - For 30-60k → about 160 or 10% S/H and 110 are D/B or D/S – 25% Non-D/D
  - Excluding the non-coated vessels the total vessels will fall to about 1,175 and the pcts to 18%/11% or 3 in 10 of the MR fleet (covering 10-60k fleet).