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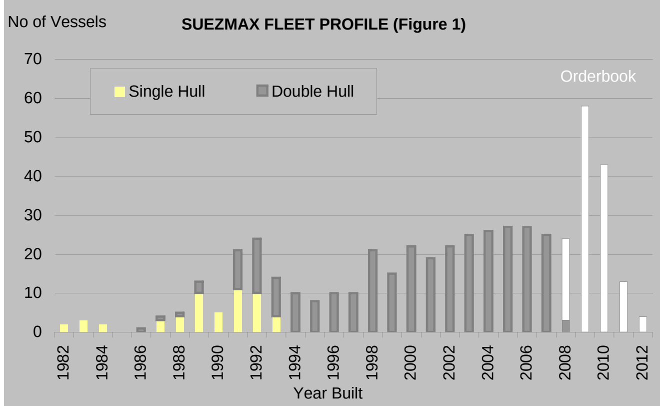
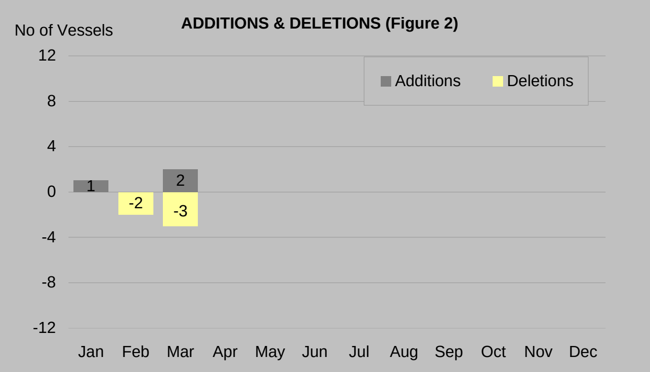
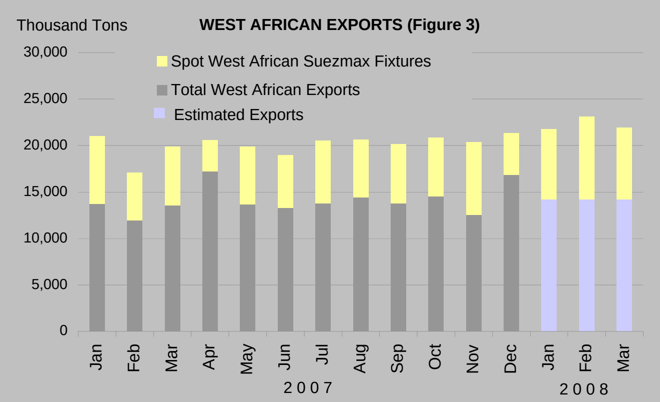
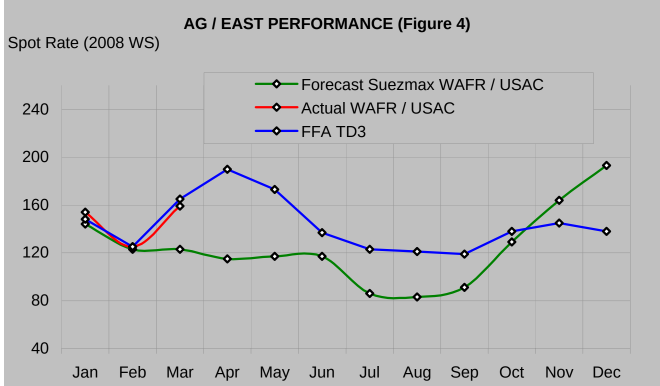
# TANKERS

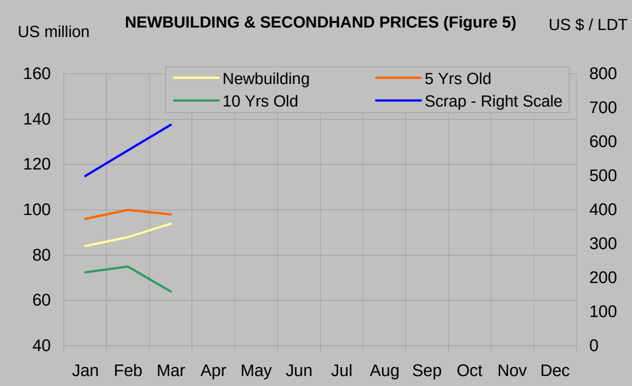
## Suezmax First Quarter Summary - 2008

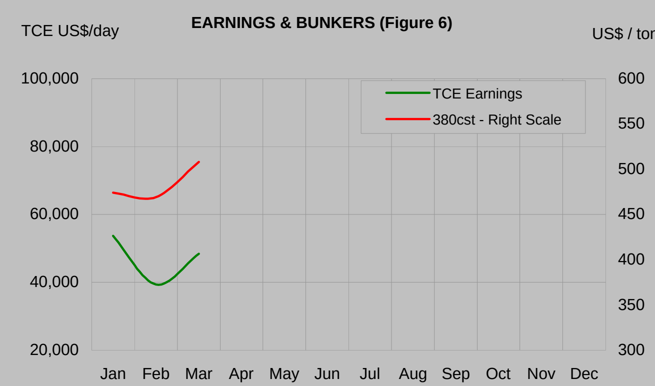



Strong freight rates in the first quarter of 2008, especially in the Black Sea and Med markets, brought a lot of attention to the sector this quarter. We graphically illustrated certain key drivers in the sector while the text below shortly describes market behavior in the first quarter of 2008.

**Figure 1** - illustrates the Suezmax fleet profile. While orderbook remains significant, especially in regard to deliveries in 2009 and 2010, we have not recorded significant ordering in the first quarter of 2008 mostly due to high asset prices.
**Figure 2** - illustrates additions and deletions in the first quarter of 2008. The fleet remained balanced with three vessels delivered and five vessels removed from the fleet. We expect this number to increase in the second quarter of the year due to strong scrap prices and upcoming conversion projects.
**Figure 3** - illustrates an interesting comparison of total volumes of crude exports from West Africa to the actual Suezmax spot fixtures in the same region. Total export volumes vary on average by one million tons per month (about 240,000 barrels / day). The fixing activity was significantly higher in the first quarter of 2008 as compared to the same period last year.
**Figure 4** - illustrates our recent forecast for the Suezmax (130,000 mt ) Wafr/ USAC trade in comparison to the actual market rate and the FFA TD 3 curve recorded as of the writing of this report. We have recognized the turning point in February but did not expect the market to spike again in March. Therefore, we undercasted the market in our projections for March.
**Figure 5** - illustrates the change in newbuilding and secondhand prices in the first three months of 2008. As the prices of new tonnage gradually increased along with a significant spike in the scrap prices, the value of a ten year old vessel slightly decreased. It must be noted, however, that only one sale of this type was confirmed in the first half of January.
**Figure 6** - illustrates the TCE earnings and average bunker prices for the sector. Increased price of bunkers caused average daily TCE earnings to decrease. However, present market conditions are providing healthy returns despite higher cost of bunkers. The price of crude reached US $118 / barrel today which is expected to cause the price of bunkers to climb further.