

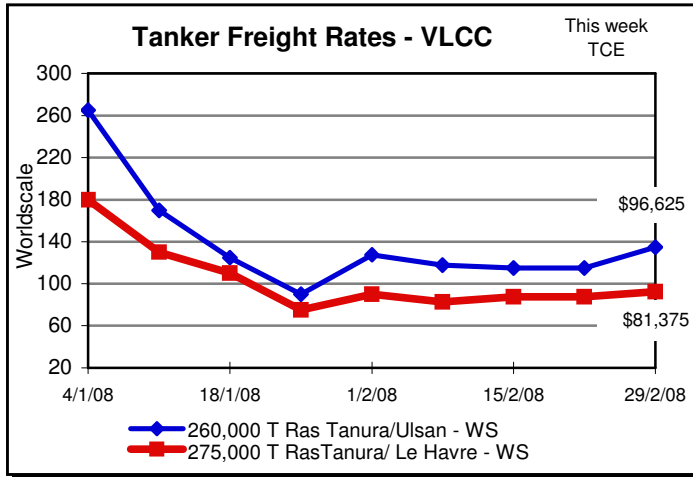


TANKER NEWSLETTER

BRS Tanker Newsletter is a summary for BRS clients of current market trends and developments.

N° 561- February 29th, 2008

CRUDE

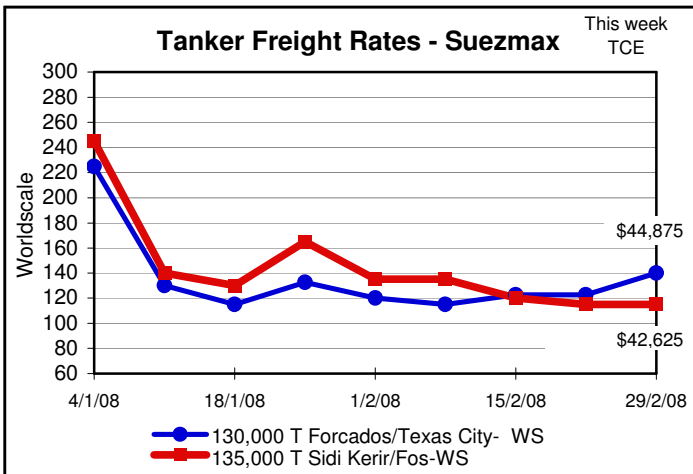


Number of stems covered:

For February = 100
For March = 65

Number of ships till:

29th March = 68



WAF Figures:

Number of stems covered:

For February = 60
For March = 46

Number of ships till:

29th March = 30

From the Middle East Gulf, demand for **VLCC** tonnage has been particularly active this week with close to 30 fixtures concluded. Single hull units, which have begun suffering from a lack of confidence vis a vis certain charterers, remain stable below the WS100 mark still however providing decent returns for these old ladies! On the other hand, owners of modern double hull tankers have managed to benefit from the increased volume and rates have been pushed up by 20 points for voyages to the East. At WS135 for a trip to the Far East, daily returns rose US\$20,000 to now fetch US\$95,000. A much more limited impact was felt on voyages to the West with rates marginally improved at WS90/92.5, and time charter equivalents at about US\$80,000 per day. With hardly more than 65 ships available to load in this zone over the next 4 weeks, owners remain fairly optimistic. A much shorter tonnage list and a strong improvement in the Suezmax sector resulted in a 20 point gain in rates from West Africa at the very end of the week. At WS120 for a voyage to the US Gulf, daily returns passed US\$80,000/day.

VLCC MEG WS TREND :



After a second successive week of very strong inquiry for **Suezmax** in West Africa, the increase expected 10 days ago came to fruition with rates jumping from a stagnant WS122.5 to WS137.5 in the course of one working day. This was followed by a further increase up to WS155 which subsequently slipped back. Nonetheless the week ended on a strong note, and while the next fixtures may not be in the WS150 range, we do not expect a violent drop in the immediate future. At WS140 for a West Africa/US Gulf round voyage, TCE is in excess of US\$45,000 per day. Simultaneously, the Med/Black Sea market remained relatively calm with rates dipping below WS115 for the better part of the week. However the tonnage list has thinned out and, should we see some activity, rates could spike especially prior to the 20th loading. Returns for cross-Med at WS115 are around US\$45,000 per day.

SUEZMAX WAF WS TREND :

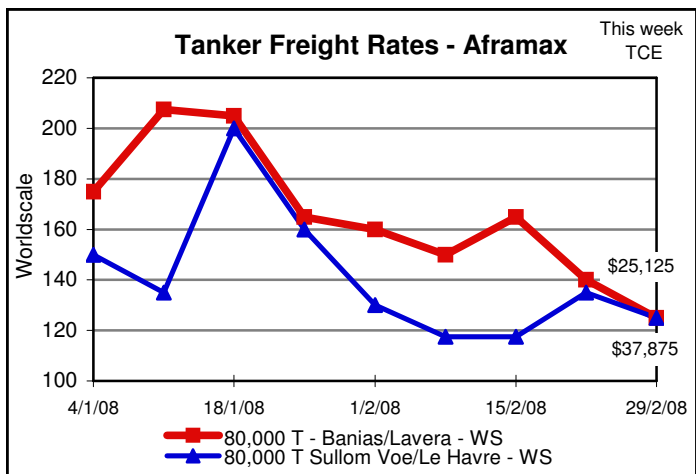


SUEZMAX MED WS TREND :



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In comparison to the two larger sizes analysed above, the **Aframax** size, at least on the European markets, has experienced a dull week. Slower demand for traditional cross North Sea voyages again quickly influenced rates, which ended the week 15 points lower at WS120. Out of the Baltic stability prevailed on the 100,000 bbl cargoes which were still fixed at WS120. All Mediterranean and Black Sea rates suffered from unstable demand and for the second week in a row, rates dropped to about WS125 for inter-Med voyages (hardly better than US\$25,000/day). In sharp contrast, the Caribbean market emerged from the doldrums to more than double rates to about WS220 for local voyages (US\$45,000/day) !

AFRAMAX NORTH SEA WS TREND : → →

AFRAMAX MED WS TREND : →

PRODUCT

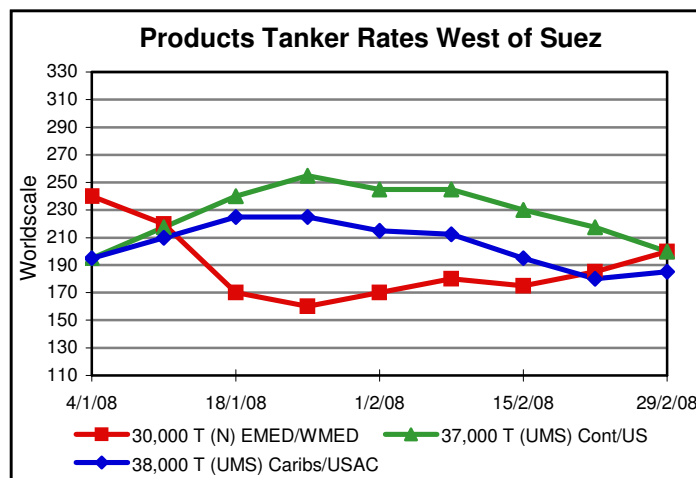
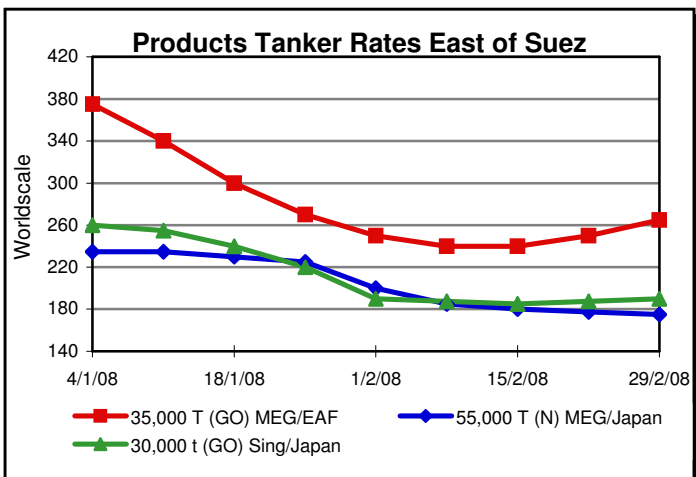
The market was much busier this week after the end of IP week and rates have moved north for all routes and sizes. **LR1** and **LR2** both gained WS5 to end the week at WS180 for the 55,000t MEG/Japan and WS150 for the 75,000t. It appears rates will hold up next week, if not increase slightly especially for prompt cargoes. For **MR** the market was a bit tighter and charterers that needed to lift cargoes during the first 10 days of March had to pay up to WS275 for 35,000t MEG to East Africa. If next week remains as busy as this week then rates will increase, although more ships are open after the 10th. Singapore/Japan rates improved this week as well and they are getting close to the WS200 level. With more activity expected next week rates should go above WS200.

The demand was very strong this week for the Med CPP market especially from the Black Sea where the number of cargoes on the market was rather impressive. Activity was not only limited to the typical cross-Med but also long haul cargoes with East, West Africa and transatlantic options. Tonnage quickly became scarce and freight rates increased accordingly. Black Sea Med did not fall below WS225 while cross-Med was around WS200/205 basis 30,000t cargo.

The clean **Handy** market in North West Europe was busier this week for local trades, above the WS200 mark basis 30,000t cross-UK Cont, while it remained stable at WS245 basis 22,000t. The clean MR market suddenly soared by WS45 points up to WS250 for first half March liftings basis 37,000 UK Cont/Transatlantic.

The Caribs clean MR market rose at a more moderate speed, reaching WS180 basis 38,000t.

The Fuel Handy market was active in UK Cont at WS200 and was around WS185 in the Med, all basis 30,000t.



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