

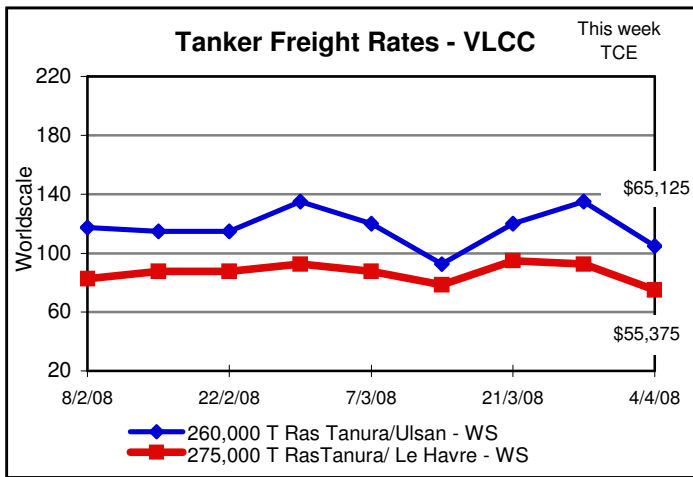


TANKER NEWSLETTER

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

N° 566 - April 4th, 2008

CRUDE

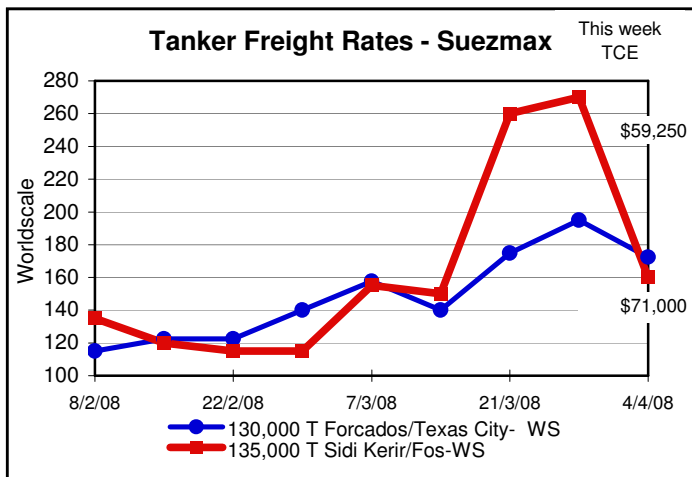


Number of stems covered:

For April = 75

Number of ships till:

30th April = 83



WAF Figures:

Number of stems covered:

For April = 45

Number of ships till:

30th April = 37

We all know how volatile the tanker market can be ... but what happened this week in all sectors clearly exceeded normal proportions! If slower demand is obviously responsible for the present downward trend, the explanation of these sharp falls also lies in the fact that the market had previously reached unreasonable peaks!

The VLCC market, despite some 20 fixtures concluded from the Middle East Gulf but with still more than 80 ships available by end month (and probably no more than 25 cargoes still expected over that period), lost ground severely.

On voyages to the East, rates plunged from about WS135 to hardly WS90 today... This means that daily returns flopped from close to US\$100,000 to US\$50,000 in less than a week! The bleeding for voyages to the West was similar, with rates falling from low WS90s to WS70 (from US\$80,000/day down to hardly US\$50,000/day). The few voyages concluded from West Africa have not yet totally reflected the new climate. They were still estimated at about WS140 for US Gulf discharge, equivalent to about US\$100,000/day but next week will no doubt be quite different.

VLCC MEG WS TREND :

After having benefited from a strong couple weeks, the Suezmax market in West Africa suffered heavily from a lack of inquiry and consequently rates have fallen from WS200 to WS150 in very little time. The outlook is not particularly positive as it appears the bulk of the cargoes for April have been covered and tonnage remains more than ample. Current levels still return in excess of US\$45,000/ day however there may be more softening around the corner.

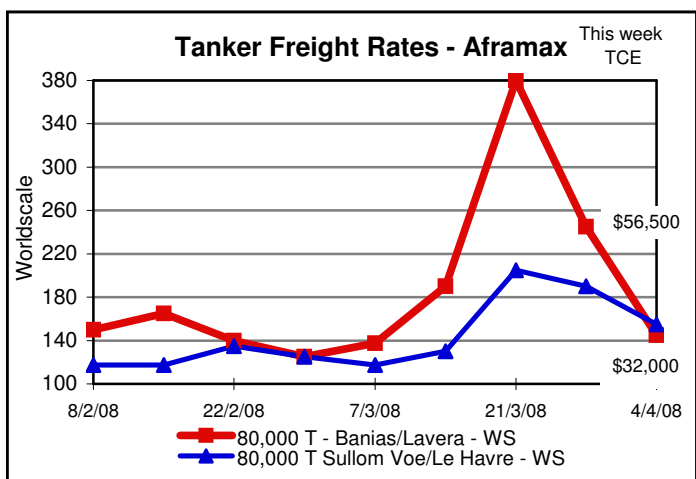
The Black Sea/Med market suffered a similar fate, although the drop of almost 100 points registered after one fixture was far more precipitous. There has been little activity since then to confirm the achieved rate level, but it appears that the slide has stopped around the WS160 mark for the time being. The tonnage list remains relatively balanced, although there may be some hidden vessels as owners are looking to limit their visibility in this market. Current levels of WS160 for cross-Med return around US\$70,000/day, however present returns may be lower as owners will be expected to incur some waiting time as the market softens and the choice of vessels becomes larger.

SUEZMAX WAF WS TREND :

SUEZMAX MED WS TREND :

Market Trends Market Trends Market Trends

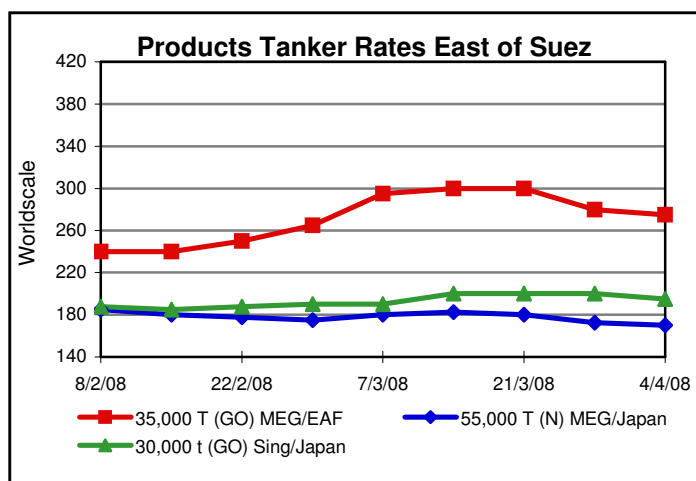




Some 30 years ago The Buggles sang "Video Killed the Radio Star". If today they knew a bit of tanker shipping - and **Aframaxes** in particular - they would sing "Volatility Killed the Market". As expected, the Easter bubble burst. Rates entered a freefall as charterers held back, having realised that plenty of ships would be free of cargo this week. The effect on freight levels was immediate: the Med and Black Sea lost some 80 points to end in the WS145 region (TCE about US\$32,000/day) while the Continent came off 40 points to about WS150 (TCE returns in the low \$50,000/day). The Caribs/Up will likely follow this trend from current levels of WS295 once demand starts for the mid April window. In the East of Suez, the market hesitated over a possible rise but in fact took a downward turn in the end.

AFRAMAX NORTH SEA WS TREND :

AFRAMAX MED WS TREND :



PRODUCTS

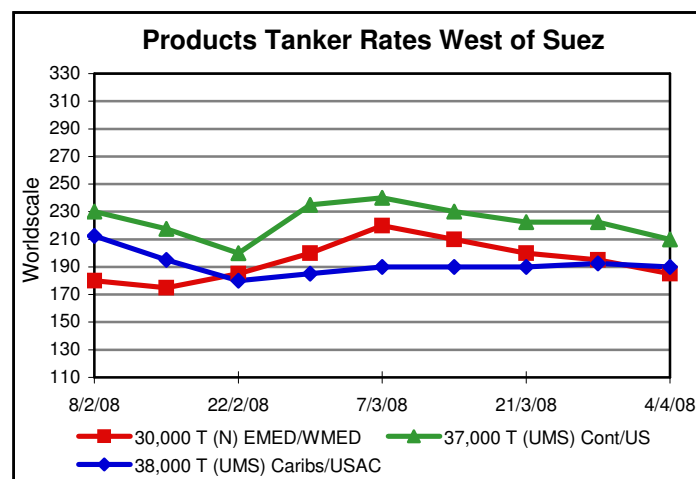
It was a quiet week all around for the US Gulf market across all size segments. The **LR** market was two tone: LR2s held up well, only tightening slightly at the end of the week, while the **LR1s** were in considerable distress. Hence 75,000t naphtha MEG/Japan fetched WS137.5 (rumours of WS155 on subs today) and 55,000t naphtha MEG/Japan was barely holding up at WS130 levels.

The **MR** market held its own and seems to have bottomed out. This is mainly due to traders retaining tonnage for their own account and a steady trickle of cargo which removed spot ships just in time for the market not to take a dive. As such 35,000t naphtha MEG/Japan fetched WS240, and cross-US Gulf steadied around US\$215,000 lumpsum levels. Yet again it is hard to forecast next week's trend but it looks as if there is reason to be slightly more optimistic as activity seems to have improved off end week, despite the continuous lack of long haul cargoes.

The West Med cargoes, plus strong activity out of the Black Sea, were not sufficient to maintain market rates after two weeks of very low activity. Even with many vessels delayed due to bad weather (up to Beaufort 10 in the West Med), the market went down to WS165 basis 30,000t for cross-Med and WS175 for Black Sea/Med voyages. However, if most of the ships on subs were to be confirmed, we should start off next week with a shorter position list than usual, which could give shipowners some hope of a market recovery.

The clean market in North West Europe was still quiet with **Handy** rates at WS242.5 for 22,000t and WS215 basis 30,000t, both for cross- and Baltic/UK Cont. A couple of UK Cont/West Africa cargoes were fixed on Handies at WS230 basis 33,000t but there are a great number of requirements yet to be covered. This route may entertain the clean Handy market next week. The transatlantic MR market finished the week around WS210 basis 37,000t with a handful of requirements yet to cover between now and the 20th of April.

The clean MR Caribbean market was still soft at WS190 basis 38,000t Caribs/Up but noticeably strong activity from



the US Gulf to Chile made this route actively traded around US\$1.2m.

The Handy fuel oil market maintained its upward trend with rates at WS250 cross-Med and even WS270 from the Black Sea, while cross-UK/Cont was done at WS250 as well.