

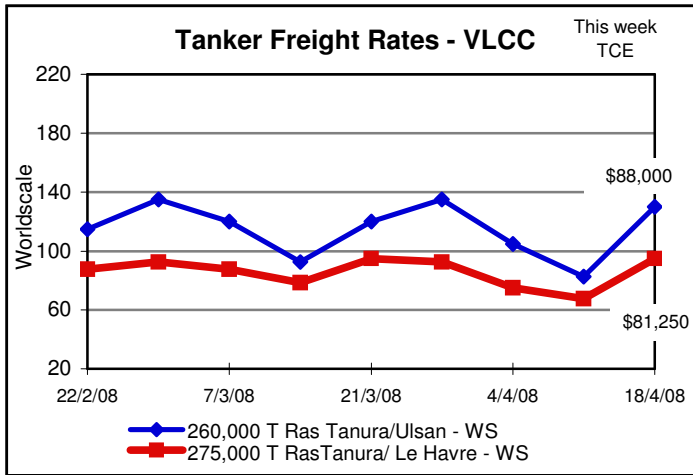


TANKER NEWSLETTER

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

N° 568 - April 18th, 2008

CRUDE

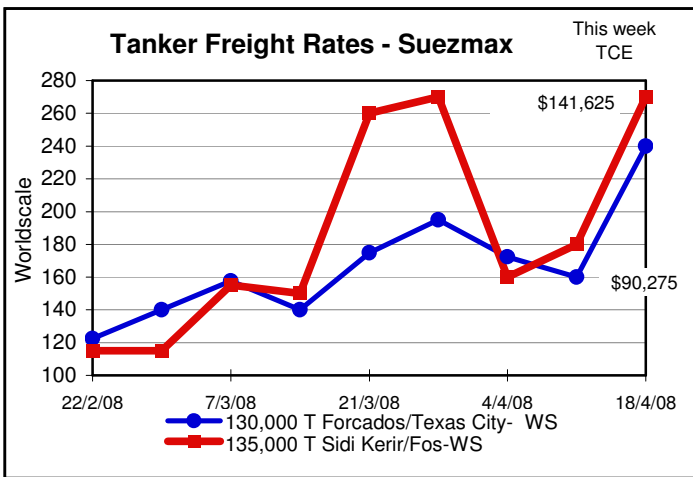


Number of stems covered:

For April = 110
For May = 33

Number of ships till:

30th April = 08
18th May = 76



WAF Figures:

Number of stems covered:

For April = 52
For May = 35

Number of ships till:

30th April = 0
18th May = 24

It's Christmas again for ship owners! Despite record bunker prices again this week, activity was extremely strong and rates have rocketed to unrealistic levels in all sectors, and for all sizes of ships.

With more than 30 **VLCC** fixtures concluded from the Middle East Gulf in the last few days, this market has totally rebounded and rates have gradually improved to reach today about WS130 on a modern vessel for Far East discharge. At these levels, the daily returns (for double hull ships) are now above US\$85,000. Western destinations are similarly influenced and with rates now estimated in the mid-WS90s, time charter equivalents have passed the US\$80,000 mark. With still about 70 cargoes to be fixed for loading in May, one can expect a further strengthening in this market. Movements from West Africa have also benefited from the crazy upswing in the Suezmax category and rates have jumped to WS150 for US Gulf discharge (more than US\$100,000 per day).

VLCC MEG WS TREND :



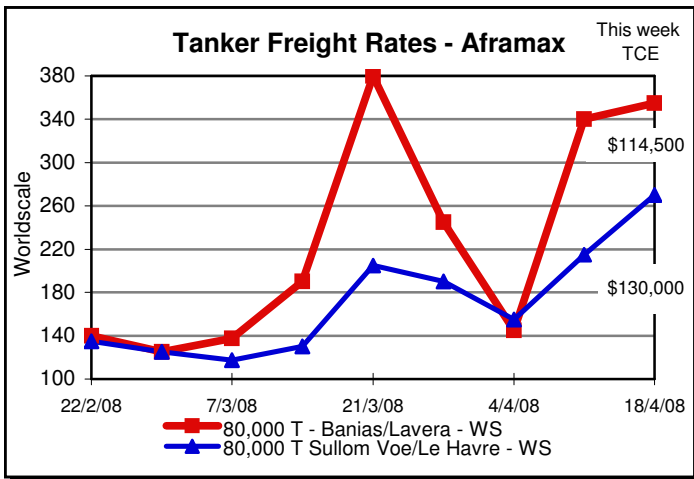
As far as **Suezmax** tankers are concerned, the Black Sea/Med zones, after having progressed by nearly 40 points to WS185 last week, rapidly rose to the WS200 mark earlier this week, which was followed by another leap to WS250. Once the ball started rolling and momentum was in owners' favour, a number of other fixtures were done which topped the WS270 mark. At present the tonnage list is extremely limited prior to the 10th. The strike in Fos will most certainly keep up the pressure next week!. Current returns at WS270 for cross-Med are about US\$140,000/day. In West Africa, owners, inspired by the Med market's jump, pushed their rates up as well: from WS165 to WS200, and again to WS250 - all in the course of a few fixtures! At such levels, daily returns on a voyage to the US Gulf are around US\$90,000. More activity is still expected for loading in May and we may not have seen the end of the story yet...

SUEZMAX WAF WS TREND :



SUEZMAX MED WS TREND :





The **Aframax** markets have some interesting times ahead. Europe remains tight, the slow-down has stopped out of the Caribs and the East of Suez market has finally started an upward trend. After last week's rate hike in the Med, it was expected that freight levels would correct quickly ... nothing was further from the truth. April liftings continued to fuel demand which resulted in rates firming around WS350 for cross-Med (or US\$115,000/day time charter returns) helped, of course, by the strike in the French ports. Rates from the North Sea rose some 55 points to reach WS270 (TCE US\$130,000/day) but that was more the result of developments in the Med than actual demand. After some weeks of hesitation, it seems that the Far and Middle East markets have come under pressure as tonnage is again lacking. The MEG/Far East is trading at WS180.

AFRAMAX NORTH SEA WS TREND : →
AFRAMAX MED WS TREND : →

PRODUCTS

Once more the Middle East market performed in the same manner as in previous weeks. The market was depressed for the **LR** segment, with very few long haul cargoes available. **LR2** managed to maintain around WS140 for 75,000t MEG/Japan, whilst rates dropped below WS160 for 55,000t MEG/Japan (-14 points) with DNRs falling below US\$12,000/day... Given that there are at least 20 LR1 still available for end-April position, recovery is not expected next week.

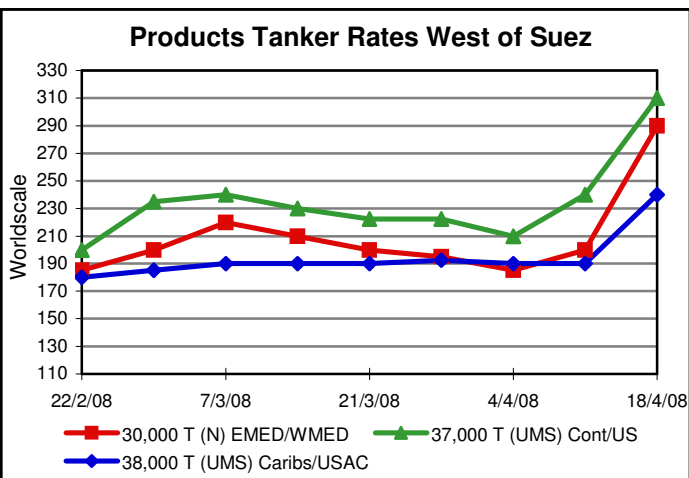
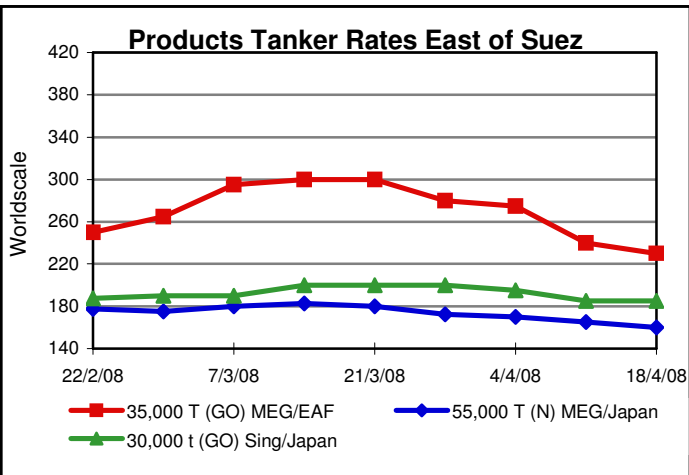
The **MR** market is also under pressure, and owners had to be satisfied with short hauls, in expectation of better times in future. Cross-Middle East Gulf voyages were fixed at US\$200,000 basis 185,000t, while 35,000t naphtha MEG/Japan was fixing at WS200 levels. With oil prices continuing to rise, traders still seem to have trouble moving cargoes, a situation that is not expected to improve soon. On a more positive note, with the western markets picking up this may provoke a migration of tonnage in that direction, which may relieve the current downward pressure on rates.

The Med CPP market exploded this week with frantic activity. Available tonnage was almost non-existent with often several cargoes on offer for one ship. This resulted in an increase in freight levels of over WS100 in a week - and we have not seen the end of it yet! By Friday, Black Sea/Med and cross-Med had reached WS330 basis 30,000t cargo.

The clean market in North West Europe became very active due to the availability of many prompt cargoes, and Handy rates ended up at WS237.5 for 22,000t and WS250 basis 30,000t, an increase of WS50 for the larger units, and with room for improvement for both.

On the UK Cont/West Africa routes, there were a small number of fixtures but rates held up at WS300 basis 33,000t, even for non-approved tonnage, due to the hype on the Cont, Med and Transatlantic trades. For the TC2 route, levels were sustained by the strong market and by the end of the week rates had soared by WS70 to reach WS340 basis 37,000t for UK Cont/USAC.

The clean MR Caribbean market finally followed the general upward trend to WS240 basis 38,000t Caribs/Up.



The Handy fuel oil market maintained its strong activity with rates at WS245 cross-Med and cross-UK/Cont.

