

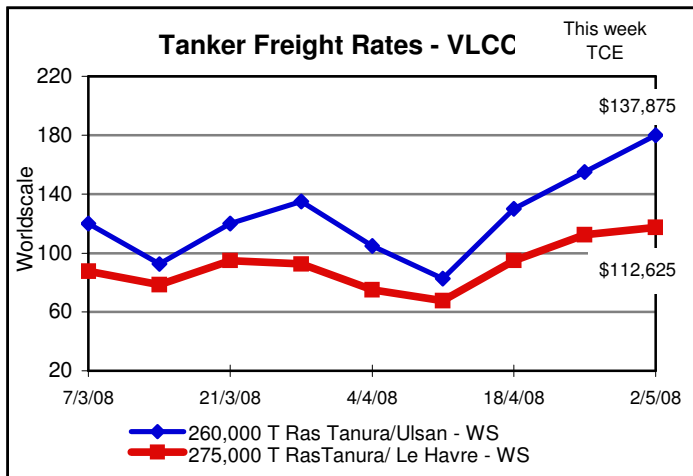


TANKER NEWSLETTER

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

N° 570 - May 2nd, 2008

CRUDE

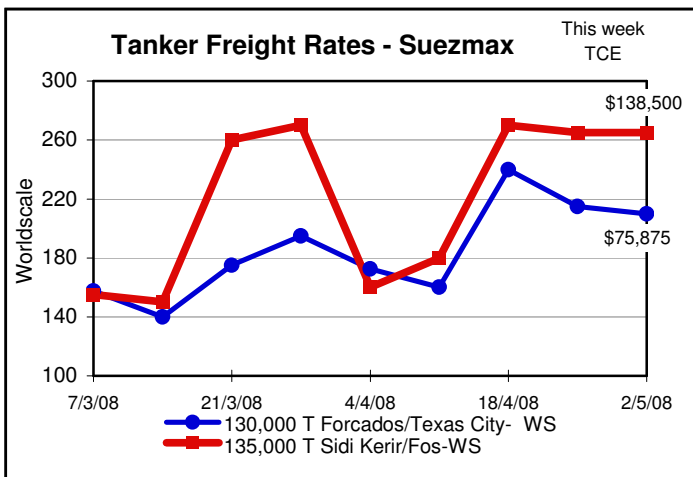


Number of stems covered:

For May = 86
For June = 6

Number of ships till:

31st May = 43
2nd June = 54



WAF Figures:

Number of stems covered:

For May = 46
For June = 0

Number of ships till:

31st May = 35
2nd June = 41

Although demand for **VLCC** was not as active as last week, owners kept holding the helm and pushed rates further up. Voyages to the East on modern double hull ships have gained another 25 points now ranging between WS180 and WS185 depending on actual destination. At such levels daily returns are fetching US\$140,000! A marginal increase has been registered for voyages to the West (+5/7.5 pts) with rates ending the week at about WS117.5 (about US\$110,000/day). Unless global demand suddenly picks up again, we estimate rates will stay pretty stable next week. As far as the West African market is concerned, a slight downward trend has already been felt this week against too slow an activity partly linked to the Nigerian crucial situation. Rates can today be estimated at WS155 for US Gulf discharge (- 5 points) and to below WS140 to the Far East (more than 10 points below last week).

VLCC MEG WS TREND :



Fuelled by the uncertainty in French ports, the **Suezmax** market in the Black Sea/Med showed further strength as rates held up very close to the WS300 mark (around WS280) for the entire week. Tonnage remained very limited and with Charterers unwilling to fix tonnage ex Fos, 'safe' ships were able to fix at strong levels although the amount of inquiry was somewhat limited. Tonnage in a prompt position remains very limited but with the tugboat strike in Fos likely sorted, rates are expected to soften somewhat in the near future. At current levels WS135 x 265 for cross Med returns are approximately US\$135,000/day. While the Med market remained very firm, West Africa saw limited activity and, as a consequence, the prevailing sentiment is that the rates may start to come off next week as most of Europe emerges from a potential 5-day weekend. Early tonnage remains available and may be forced to absorb at least 5 days waiting as it would appear that cargoes prior the 25th are rare. At WS210 on West Africa/US Gulf round voyage, daily returns are about US\$75,000.

SUEZMAX WAF WS TREND :

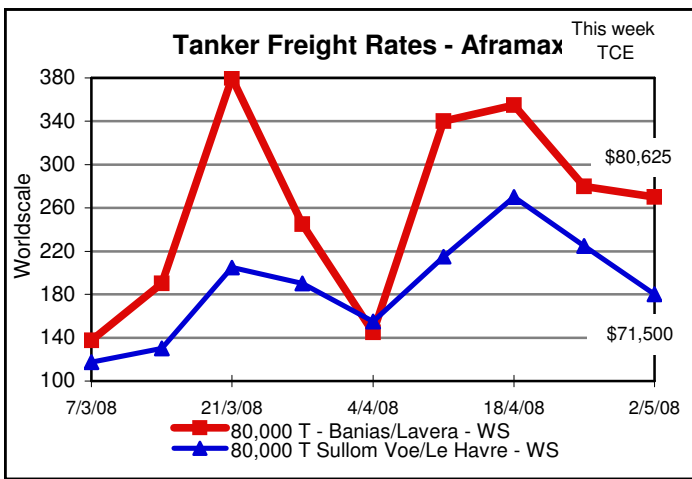


SUEZMAX MED WS TREND :



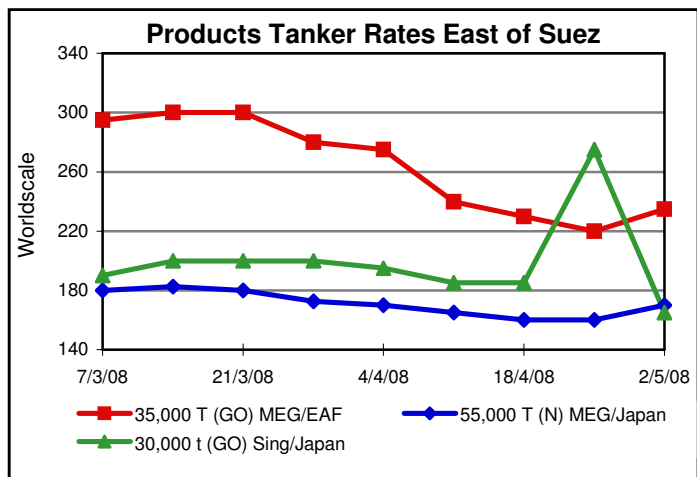
Market Trends Market Trends Market Trends





The **Aframax** market continued to send out mixed signals. A slow start of the week in the Med area made rates plunge to just below WS200, without too much reason. Once demand came back, freight levels re-adjusted at WS240 before ending a little higher around the WS270 mark (t/c equivalent US\$80,000/day). As work more or less resumed in French ports and the tug strike avoided (for the moment), a dozen Aframaxes are expected soon to be free in Fos, which will put rates under pressure. Voyages from the North Sea and Baltic ended at some 40 points less compared to last week, as demand remained sluggish and tonnage ample. After having 'plunged' to below WS160, rates have recovered to about WS180 for both 80 and 100,000t cargoes (about US\$70,000 pd t/c return). By mid-week, the Caribs/up market rebounded from WS155 to WS220. The prevailing tight situation of double hull tonnage in the East of Suez is keeping the pressure on rates with daily returns over US\$50,000, not seen since the end of last year.

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

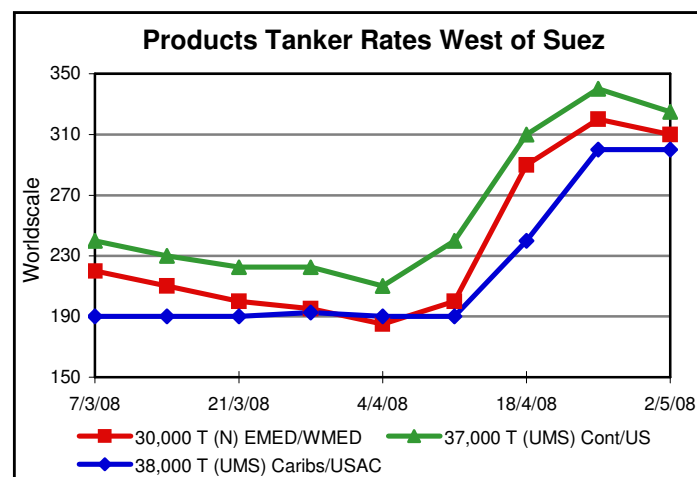


PRODUCTS

In the East of Suez, the market remained calm, but at last **LR1** gained a dozen WS points, ending the week at WS170 for 55,000t MEG/Japan (\$14,200/day). There was interest for Jet movement to Europe, which pushed the rates for 65,000t MEG/UK Cont close to US\$2m at the end of the week, a 12% progression in a week. The **LR2** market remain stable at WS140 for 75,000t MEG/Japan.

The **MR** market was also fairly quiet. Rates MEG/Japan progressed up to 35,000 cross WS220, a 10% increase from last week.

Altogether the end of the 'golden week' should bring some sunbeam in this fairly gloomy market.



On the T/C front, there was little activity as owners, looking at the activity on TC2, resisted to Charterers attempts to pull rates down.

A couple of MR new building to be delivered in 2009 were reported fixed at US\$22,500 for 3 years.

After the strong activity of the month of April, we are now starting May above WS300 for the clean cargoes cross Med. However, the low activity of last week puts the rates under pressure and owners start accepting rates just below WS300 for the West Med market. The Black Sea is also suffering and we can estimate the market being at WS320. However, the position lists are still pretty short and a strong activity next week could rapidly put the rates up again.

The clean market in North West Europe maintained its high levels with WS290 basis 22,000t and WS290 basis 30,000t for cross UK Cont or Baltic. The clean MR transatlantic market was still high but softened by WS20 to WS225 basis 37,000t UK Cont/US Atlantic Coast.

The clean MR Caribbean market followed the same trend and Caribs/US Gulf were fixed at WS300 level basis 38,000t.

The Handy fuel oil market maintained its strong activity with rates at W280 cross-Med to WS305 from Black Sea and WS280 level for cross UK Cont, always basis 30,000t.

... Market Trends Market Trends Market Trends

