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WEEKLY MARKET REPORT

February 1st, 2008 / Week 5

Lloyd's List
GREEK SHIPPING AWARDS 2007
SHIPBROKER of the Year

The Sale & Purchase activity picked up this week with an interesting number of deals reported both in the dry and in the wet sectors.

In the dry sector, we have pleasantly noted a significant increase in the capesize freight index this week up by 25% (week to week) which has turned the mood to a more positive one mainly due to the promising news from the ongoing negotiations of the iron pricing that came out in the press. This, combined with the slight softening of prices, has resulted to some more deals concluded.

We understand that BHP Billiton and Baosteel have agreed a 10 year supply contract of around 94 mill tonnes of iron ore (although parties have not yet finalized on the yearly prices increases) and there are rumors that we are nearing an end to the longwinded price negotiations with contract iron prices anticipated to rise somewhere between 60-70%.

Important and somewhat positive news from the supply side of the equation are coming from a New York dry bulk forum this week where leading market operators cast doubt as to whether the Chinese shipyard will eventually build and deliver the massive newbuildings currently on order. This will definitely have an impact on the supply of tonnage, especially for the capesize sector in 2010 where the majority of these newbuildings are scheduled to be delivered. It remains also to be seen as to whether all of the VLCCs sold for conversion into VLOCs will eventually be converted.

In addition to the above, unexpected (??) news from stock listed Jinhui Shipping who have cancelled their order of 2 x 300,000 dwt ore carriers of usd 122 mill each at the china shipbuilding yard. Jinhui sited financing problems due to the global credit crunch for this canceling and they will pay a cancellation of of usd 4 mill. This is a prime example of the stiffening of the bank financing nowadays which some expert analysts allegedly claim (the number is growing every day) that will limit substantially the actual numbers of vessels which will be actually delivered.

On the wet sector, we saw a number of late 80s single hull tanker tonnage sold for conversion to bulk carriers and to FPSO (to our surprise - because yard availability is very tight - if any at all).

VLCC market over the past two moths was extremely volatile and fluctuated over 200 world scale points for AG/East cargoes.
In fact last week of January started from where it was two months ago. The approaching eastern holidays due to chinese new year next week have turned the market upwards again although the change is not expected to be so dramatic. Obviously early next week we should see eastern charterers rush to finish their February program as there should be about 30 more stems to go and therefore the firm trend will continue. Likewise on the suezmaxes and aframaxes after rates have bottomed rebounded back a bit with this trend expected to remain until early next week.

The Atlantic basin VLCC market was also active and we expect next week to face further upward pressure. On the other hand suezmaxes and aframaxes saw their market softening without an expected change in the short term.

On the products side rates have softened in most areas except of the Mediterranean and North West Europe where activity improved over the last part of the week and rates in those areas moved up by some 15 world scale points for handy sizes.

TANKERS:

"TAKAMA" 264,631/87 **-** MITSUBISHI - SUL 20,160 - IGS - SBT - COW - SH
Sold for $47 mill. to Norwegian buyer (Prosafe), for conversion to FPSO.

"DIAMOND HOPE" 264,340/95 **-** MITSUBISHI - MITSUBISHI 29,800 - IGS - SBT - COW - SH
Sold for $52 mill. to U.S. based buyer (Hugo Neu), for conversion.

"SUNRISE IV" 259,530/91 **-** IHI - SUL 29,530 - IGS - SBT - COW - SH
Sold for $42 mill. to Japanese buyer, for conversion.

"HISTRIA CROWN" 164,004/84 **-** ROMANIA - MAN 23,500 - COILED - IGS - SBT - COW - SH
Sold for $22 mill. to undisclosed buyer, for conversion.

"CHINA SEA"/"YELLOW SEA"/"RED SEA"
84,841/88/88/89 **-** MITSUBISHI - SUL 15,000 - COILED - IGS - SBT - COW - DS
Sold for $21 mill. each to Chinese buyer (Shanghai Zhenhua Shipping), for conversion.

"ALIA" 35,669/03 **-** STX - B&W 10,710 - COILED - COATED - IGS - SBT - COW - DH - IMO 2/3
Sold for $43 mill. to undisclosed buyer.

BULKERS:

“SIMFONIA” 184,400/91 - KAWASAKI - B&W 18,400 - 9HH
Sold for $83.7 mill. to Greek buyer (Star Bulk Carriers). Sale includes t/c back for 1 year at $100,000/day.

“MINERAL KYOTO” 183,204/04 - KOYO MIHARA - B&W 25,329 - 9HH
Buyer (Bocimar) exercised a purchase option at $36 mill. Bocimar currently have the vessel on long t/c.

“ZHOUSHAN JINHAIWAN RESALE” 81,000/12-08 - ZHOUSHAN JINHAIWAN - 7HH
Sold for $63.5 mill. to Middle Eastern buyer.

“GEMSTAR” 74,000/99 - IMABARI - B&W 14,300 - 7HH
Sold for $63.5 mill. to Greek buyer. Sale includes t/c until end 2008 at $12,750/day. (Old Sale)

“TZINI” 42,004/91 - OSHIMA - SUL 8,470 - 5HH - C 4X25T
Sold for $45 mill. to Italian buyer (Romero).

CONTAINERS:

“RIO SACRAMENTO”/“RIO SUSA
28,325/08/07 - ZHEJIANG - B&W 25,887 - C 3X45T - 2,007 TEU
Sold for $14.6 mill. to Far Eastern buyer.

“RYOGA” 8,515/97 - MURAKAMI - B&W 7,040 - 6HH - C 2X36T - 580 TEU
Sold for $46.5 mill. each to German buyer.

FRESH FOR SALE:

TANKERS:

“G ELEPHANT” 299,235/06 - FUKUI ZOSEN - B&W 30,816 - COILED - IGS - SBT - COW - DH
Vessel ETA USWC February 1st, intention Long Beach.

“AGIOS NIKOLAOS III” 281,751/91 - HITACHI - B&W 22,894 - COILED - IGS - SBT - COW - SH
Vessel will be discharging in Ain Shukna, Egypt between 6th - 8th February and then calling Fujairah on 16th February.

“VIJAYANTI” 31,259/98 - HYUNDAI - B&W 9,693 - COILED - COATED - IGS - SBT - COW - DH
Vessel currently loading in Singapore, ETD 4th February, then she will proceed toTanjung Ubanto to partly dischasrge, where ETA 4th - ETD 5th February. Thereafter, will proceed either to Belawan or Surabaya to complete discharging.

BULKERS:

“COROSSOL” 207,785/89 - SAMSUNG - B&W 16,480 - 9HH
Vessel will be inspectable in Brazil between 19th - 29th February.

“MEDI ROMA” 74,255/01 **-** SASEBO - B&W 12,520 - 7HH
Vessel will be inspectable in Inchon, Korea between 18th - 20th February.

“HULK” 46,601/95 **-** SANOYAS - SUL 10,400 - 5HH - C 4X30T
Vessel is discharging bauxite in Point Comfort (US Gulf), ETC/S 6th February, then Davant to load coal between 8th -12th February for discharge Immingham between 24th -29th February.

“INDIAN CHALLENGER” 23,542/85 **-** UWAJIMA ZOSENSHO - MITSUBISHI 6,250 - 4HH **-** C 2X25T, D 2X25T
Vessel en route to Haiphong to discharge, ETA 28th January. Thereafter will proceed to China for drydocking.

NEWBUILDINGS

NEWBUILDING STATISTICS							
TYPE OF SHIP	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	*** TOTAL ORDERBOOK**
ULCC/VLCC	37	66	49	29	4		185
SUEZMAX	20	59	47	14			140
AFRAMAX	71	106	83	27			287
PANAMAX	41	51	18	22			132
MR	190	205	159	56	2		612
0-35,000 DWT	258	191	125	30	4		608
CAPESIZE	46	137	285	136	30	4	638
80-100,000 DWT	39	81	153	111	14	1	399
PANAMAX	60	49	64	30	9		212
SUPRAMAX	144	243	233	116	19		755
HANDYSIZE	117	209	186	99	12	3	626

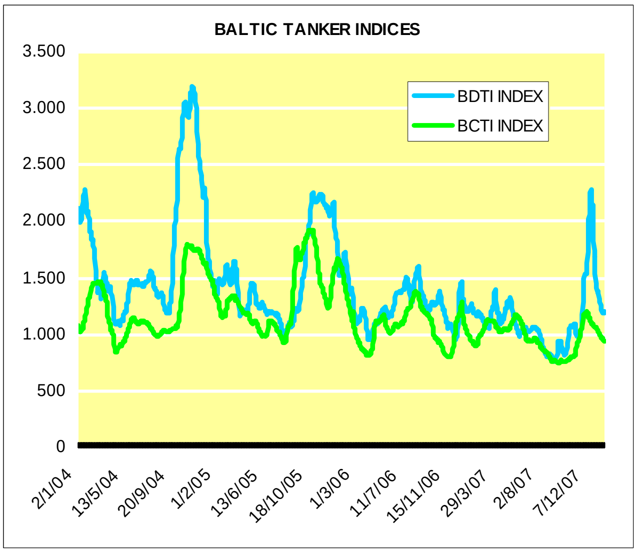
**** Includes ALL vessels on order***

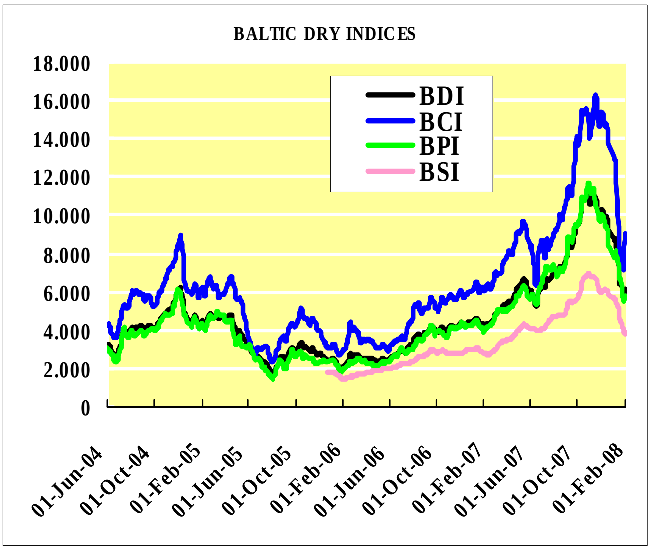
NEWBUILDING CONTRACTS

No.	Size	Type	Yard	Delivery	Price (mill)	Owners	Comm.
2 x	318,000 dwt	Vlcc	Hyundai Samho	2011		TMT	
2 x	105,000 dwt	Tank	Cosco	2010/11		Knutsen OAS	(shuttle tanker)
1 x	50,000 dwt	Tank	Onomichi	2011		Meiji Shipping	
10 x	36,500 dwt	Tank	Hyundai Mipo	2010/11		IRISL	
4 x	19,800 dwt	Chem	Kitanihon	2012/13		Zodiac Maritime	
2 x	176,000 dwt	Bulk	Jiangsu	2010		Safety Management	
2 x	170,000 dwt	Bulk	Sungdong	2010/11		Grand Union	
6 x	76,000 dwt	Bulk	Guanngzhou	2010/11		Cosco	
2 x	56,000 dwt	Bulk	Mitsui	2011/12		Meiji Shipping	
6 x	37,000 dwt	Bulk	Tsuji	2010/11		Clipper Group	3 + 3 options
10 x	31,000 dwt	MPP	Shandong	2009/12		Schoeller Holdings	
6 x	4,800 dwt	MPP	Slovenske	2010		Erwin Strahlmann	

KEY INDICATORS

INDICES					
RATE OF EXCHANGE	BALTIC EXCHANGE RATES				
		THIS WEEK	*LAST WEEK*	*CHANGE*	*CHANGE %*
$ / Won: 943.8000	**Baltic Dry Index**	6134	5780	+354	+6.12%
$ / Nok: 5.385300	**Baltic Capesize**	9031	7202	+1829	+25.39%
Euro / $: 1.490400	**Baltic Panamax**	5749	5783	-34	-0.59%
Stlg / $: 1.979800	**Baltic Supramax**	3839	4129	-290	-7.02%
$ / Yen: 105.8800	**Baltic Handysize**	1954	2274	-320	-14.07%
LIBOR (3-mos) / 3.24%	**Brent Crude**	$91.73	$89.07	+2.66	+2.98%





ESTIMATED VALUES						
TANKERS	NB	PROMPT RESALE	5 YEARS	10 YEARS	20 YEARS	12 MONTH T/C
VLCC 300,000 dwt	$148.0m	$154.0m	$134.0m	$112m (DH)	$45.0m (SH)	$65,000 PD
Suezmax 150,000 dwt	$89.0m	$105.0m	$95.0m	$77.0m (DH)	$38.0m	$47,500 PD
Aframax 105,000 dwt	$76.0m	$80.0m	$71.0m	$58.0m (DH)	$20.0m (SH)	$32,000 PD
Panamax 70,000 dwt	$65.0m	$68.0m	$63.0m	$50.0m (DH)	$15.0m	$29,000 PD
Product 47,000 dwt	$52.0m	$60.0m	$52.0m	$43.0m (DH)	$11.0m	$24,000 PD
BULK CARRIERS						
Capesize 170 – 180,000 dwt	$97.0m	$150.0m	$135.0m	$102.0m	$80.0m	$140,500 PD
Panamax 74 – 76,000 dwt	$55.0m	$93.0m	$87.0m	$71.0m	$42.0m	$71,000 PD
Supramax 52 – 59,000 dwt	$48.0m	$80.0m	$72.0m	$55.0m	$42.0m	$49,500 PD

BUNKER PRICES				
FUEL GRADES	ROTTERDAM	FUJAIRAH	PIRAEUS	SINGAPORE
380cst:	$428.00	$472.00	$433.00	$454.00
180cst:	$447.00	$492.00	$466.50	$466.00
MGO:	$815.00	$837.50	$802.50	$772.50

DEMOLITION

DEMOLITION STATISTICS				
TYPE OF SHIP	***THIS DATE 2008***	***THIS DATE 2007***	***2007 TOTAL***	***2006 TOTAL***
ULCC/VLCC	0	0	1	0
SUEZMAX	0	0	1	0
AFRAMAX	0	1	8	14
PANAMAX TANKER	1	1	5	7
CAPE/COMBO (100,000 dwt +)	0	0	0	3
PANAMAX/KAMSARMAX BULKER	1	0	2	13

ESTIMATED DEMOLITION PRICES			
LOCATION	***TANKERS 6-10,000 LT***	***TANKERS 15-20,000 LT***	***BULK CARRIERS***
CHINA	320	350	310
INDIA	520	535	480
BANGLADESH	530	545	490
PAKISTAN	525	530	480

DEMOLITION:

BANGLADESH

M/V **“S.A. WINTERBERG”** (cont) 50,819/78 - 22,551 LDT - USD 510/LDT

INDIA

M/T **“GAZ HORIZON”** (LPG) 47,989/82 - 18,090 LDT - USD 495/LDT

M/V **“GORYNAK”** 4,150/70 - 1,988 LDT - Sold on P&C terms

M/V **“IOANNA K”** 2,812/67 - 1,101 LDT - USD 505/LDT

PAKISTAN

M/V **“SHANTI”** 86,993/80 - 15,850 LDT - Sold on P&C terms

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Very Truly Yours,

WEBERSEAS (HELLAS) S.A.

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