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WEEKLY MARKET REPORT

February 8th, 2008 / Week 6

Commodities price soaring - the herald of a strong market?

Traditionally, shipping analysts would always take a very close look at the commodity price fluctuations (especially in the beginning of the year) in order to get a good feeling on how the shipping market will progress. This is not the only indicator but one of the main ones to look at.

While the financial world is concerned about what are the odds that the USA and consequently the Western Hemisphere will enter into a recession (if not in already), we have noted an unprecedented jump in the prices of the commodities during the last 20-30 days, especially for the ones which directly affect shipping demand in the dry sector. i.e. iron ore, coking/thermal coal.

Australia is the biggest supplier in the world of coking coal (used for steel-making) supplying more that 2/3 of all of the world's shipments while for thermal coal provides about 1/4 (used by power stations). It has also been the prime supplier of iron ore to the hungry Chinese economy. We are closely monitoring the news that come from this continent which are indeed very interesting.

The latest news indicate that the Aussies are very close to fixing the prices for both coal and iron ore, the increases of which expect to be massive as the cold weather (especially as far as the coal price increases are concerned) together with the increase in demand are already putting available capacity under pressure - thus prices.

Although not yet confirmed we expect that the price increase to be agreed will see an increase of 60% +/- for iron iron ore, whilst for coal it remains to be seen what the increases will be since prices are soaring at the moment.

China is having its heaviest winter in 50 years and millions of people are suffering because of the cold and severe power cuts mainly due to the shortage of coal that appears to have caught the Chinese totally by surprise and unable to cope with the situation.

At the same time oil prices remain extremely high, a fact that puts further pressure on the prices of alternative energy sources such as thermal coal whilst the tendency in Australia is to concentrate in the mining of coking coal rather than in thermal coal which may cause shortages and even higher spot prices.

Major Aussie coking coal producers are said to be offering the Japanese a price (starting April 08) that is more than double from the current one (abt 120% increase) but some analyst allege that prices may have further increases since such offerings were made before the Queensland floods that crippled (at least for the short period of time) the coal exportation.

Last but not least, whether in recession or not in the USA, problems with the housing market or not, if you carefully look the economies on a regional basis you will realize that even in the USA (which supposedly has been hit the most from the credit crisis due to the subprime loans) some states whose economies concentrate in farming, mining as well as tourism are on a very prosperous path (not to mentioned the defense industry - troubled back in the late 90s and at the start of the millennium, back on healthy look after the Iraqi war).

As one very famous economist said at the start of 19th century, money (prosperity in other words) cannot dissapear, it just moves from one place to another. For the time it seems to be shifting in a very fast pace towards the Pacific basin in particural as far as house booming and industrialization are concerned.

As we expected The Chinese New Year holidays had its impact on the Far East Tanker market with very few business being concluded this week. The inactivity creates a downward pressure on rates at least until after the Chinese Lunar holiday next week. VLCC rates for AG/East have ended the week at WS 115 for Double Hulls and at WS 85 for the Single Hulls with the differential between the 2 types which at this stage is at 30 WS points expected to keep on increasing going forward. Suezmax and Aframax rates east of Suez remained steady throughout the week mainly due to the lack of activity for the local holidays.

In the Atlantic the supply problems in Nigeria, resulting in a downword pressure on Suezmax rates, will definetely affect VLCC rates despite the fact that position list is not that long. Rates ended the week at WS 92.5 for VLCC and WS 115/120 for Suezmaxes out of West Africa to any destination. Aframaxes in the Mediterranean, despite starting the week with a good number of enquiries resulting rates to rebound to WS 150/160 levels, the slow down of activity by the end of the week may make owners loose their confidence again. In the North Sea and the Caribbean rates fell down remarkably ending the week at WS 110 (bss 80,000 mts) or WS 120 (100,000 sizes ex Baltic) and WS 130 in the Caribs. Both areas seem to have bottomed out.

TANKERS:

“WELSH VENTURE” 280,491/91 - SASEBO **-** B&W 24,859 - IGS - SBT - COW - SH
Sold on private terms to Brazilian buyer (Petrobras).

2 x **“NEW TIMES RESALES”** 114,000/02-05/09 - NEW TIMES - B&W 21,508 - COILED - IGS SBT - COW - DH
Sold for $76 mill. each to Greek buyer.

“MINERVA LIBRA” 105,364/99 - SAMSUNG - B&W 16,918 - COILED - IGS - SBT - COW - DH
“MINERVA EMMA” 104,556/99 - SAMSUNG - B&W 16,680 - COILED - IGS - SBT - COW - DH
Sold for $62 mill. each to U.S. based buyer (American Eagle Tankers).

“CONSTITUTION” 104,623/99 - SAMSUNG - SUL 16,320 - COILED - IGS - SBT - COW - DH
“SENTINEL” 104,623/99 - SAMSUNG - SUL 16,320 - COILED - IGS - SBT - COW - DH
“GUARDIAN” 96,920/92 - SAMSUNG - SUL 15,000 - COILED - IGS - SBT - COW - DH
“PATRIOT” 96,920/92 - SAMSUNG - SUL 15,000 - COILED - IGS - SBT - COW - DH
“PIONEER” 96,724/93 - SAMSUNG - SUL 15,000 - COILED - IGS - SBT - COW - DH
“CONTINENTAL” 96,683/93 - SAMSUNG - SUL 15,000 - COILED - IGS - SBT - COW - DH
Sold on private terms to Canadian buyer (Teekay).

“EAGLE BEAUMONT” 99,448/96 - SAMSUNG - B&W 16,680 - COILED - IGS - SBT - COW - DH
“EAGLE BALTIMORE” 99,405/96 - SAMSUNG - B&W 16,680 - COILED - IGS - SBT - COW - DH
“EAGLE BIRMINGHAM” 99,343/97 - SAMSUNG - B&W 16,798 - COILED - IGS - SBT - COW - DH
“EAGLE BOSTON” 99,328/96 - SAMSUNG - B&W 16,798 - COILED - IGS - SBT - COW - DH
Sold for $52 mill. each to Norwegian buyer (Global Skipholding). Sale includes bareboat charter back for 8-10 years at undisclosed rates.

“MARITINA” 77,788/86 - SAMSUNG - B&W 12,480 - COILED - COATED - IGS - SBT - COW - DH
“MARIELLA” 77,769/86 - SAMSUNG - B&W 12,480 - COILED - COATED - IGS - SBT - COW - DH
Sold for $20 mill. each to undisclosed buyer.

3 x **“HYUNDAI MIPO RESALES”** 46,600/10/11/11 - HYUNDAI - COATED - COILED - SBT - DH
Sold for $49 mill. each to European buyer (Glenda).

“HIGH TRUST” 45,937/04 - SHIN KURUSHIMA - B&W 12,890 - COILED - COATED - IGS - SBT COW - DH
Sold for $55 mill. to Vietnamese buyer (Bien Dong Shipping).

“MERIOM PRIDE” 38,877/04 - GUANGZHOU - B&W 10,710 - COILED - COATED - IGS - SBT COW - DH
Sold for $44.5 mill. to undisclosed buyer.

BULKERS:

“GREAT GALAXY” 138,350/81 - HITACHI - B&W 18,400 - 9HH
Sold on private terms to undisclosed buyer.

“SUPER ACE” 26,482/96 - IMABARI - MITSUBISHI 7,400 - 5HH - C 4X30T
Sold for $37 mill. to Korean buyer. (Old sale)

“MEDSPILIANI” 23,853/80 - WATANABE - SUL 9,900 - 4HH - C 4X25T
Sold on private terms to Greek buyer.

“EKATERINI” 5,207/80 - HAKATA - HAN 3,200 - 2HH - D 3X10T
Sold for $2.5 mill. to undisclosed buyer.

"WELLA" 5,313/77 - ROMANIA - 2 x DVIGATEL REVOLYUTSII 1,800 - 2HH
Sold for $2 to Turkish buyer.

TWEENDECKERS:

"CAPE PRESTON" 22,351/83 - MITSUBISHI - SUL 15,235 - 5HO 9HA - C 3X26T, 4X16T - 728 TEU
"CAPE YORK" 22,351/83 - MITSUBISHI - SUL 15,235 - 5HO 9HA - C 3X26T, 4X16T - 728 TEU
"CAPE CONWAY" 22,3312/85 - MITSUBISHI - SUL 15,235 - 5HO 9HA - C 3X26T, 4X16T - 728 TEU
Sold for $29 mill. en bloc to undisclosed buyer. Sale includes bareboat charter until April 2009 at $3,596/day for each vessel.

"GEE HONG" 12,692/78 - GERMANY - MAK 10,000 - 3HH - C 2X50T, 3X40T - 517 TEU
Sold for $3.35 mill. to undisclosed buyer.

"KISSAMA" 8,060/83 - GERMANY - DEUTZ 6,000 - 2HH - C 2X35T - 582 TEU
Sold for $5 mill. to undisclosed buyer.

CONTAINERS:

"BERNARD A" 13,333/85 - GERMANY - B&W 8,160 - 3HO 7HA - C 2X40T - 1,022 TEU
Sold for $21.16 mill. to European buyer.

"MARGARETHA" 11,385/01 - GERMANY - MAK 11,420 - 868 TEU
Sold for Euro 19.5 mill. to European buyer.

RO-RO:

"LYGRA" 3,930/79 - NORWAY - 2 x NORMO 4,500 - 800 LM - 318 TEU
Sold for Euro 2.5 mill. to Lithuanian buyer.

FRESH FOR SALE:

TANKERS:

"AFRICAN HORIZON" 151,445/88 - DAEWOO - B&W 18,250 - COILED - COATED - IGS - SBT COW - SH
Promptly inspectable in Singapore.

"ORKNEY SPIRIT" 106,266/93 - MITSUI - B&W 16,440 - COILED - IGS - SBT - COW - DH
"SHETLAND SPIRIT" 106,236/94 - MITSUI - B&W 16,440 - COILED - IGS - SBT - COW - DH
Orkney Spirit: Vessel discharging in Paulsboro, ETA 14th February.
Shetland Spirit: Vessel will load in Arzew on 16th February then Terneuzen to discharge.

LPG **"IRIS GAS"** 49,998/85 - IHI - SUL 15,940 - 80, 681 CBM
Inspectable in Singapore 15th – 16th February.

BULKERS:

"ANTWERP ACE" 67,670/82 - IHI - SUL 13,786 - C 6X15T - 7HH
Vessel currently loading in Indonesia until 16th February, then Qingdao, China to discharge.

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	70	106	83	27			286
PANAMAX	41	51	18	22			132
MR	190	205	161	65	2		623
0-35,000 DWT	237	197	128	30	4		596
CAPESIZE	46	137	283	134	32	4	636
80-100,000 DWT	39	81	153	108	14	1	396
PANAMAX	60	49	64	30	9		212
SUPRAMAX	144	243	233	123	24		764
HANDYSIZE	115	209	193	101	12	3	633

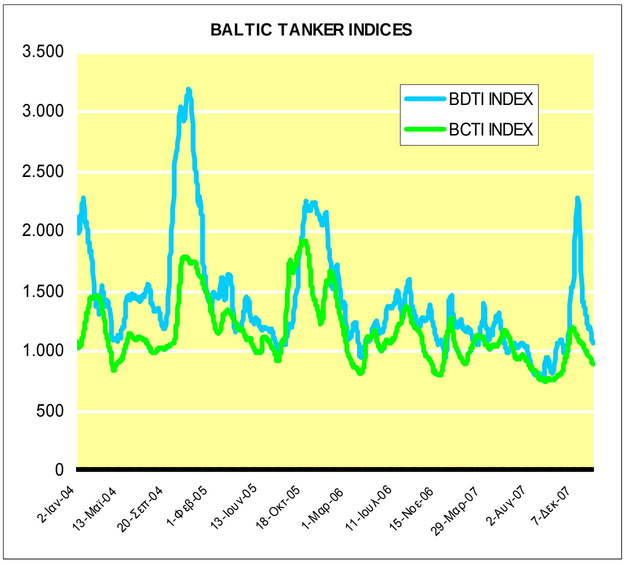
**** Includes ALL vessels on order***

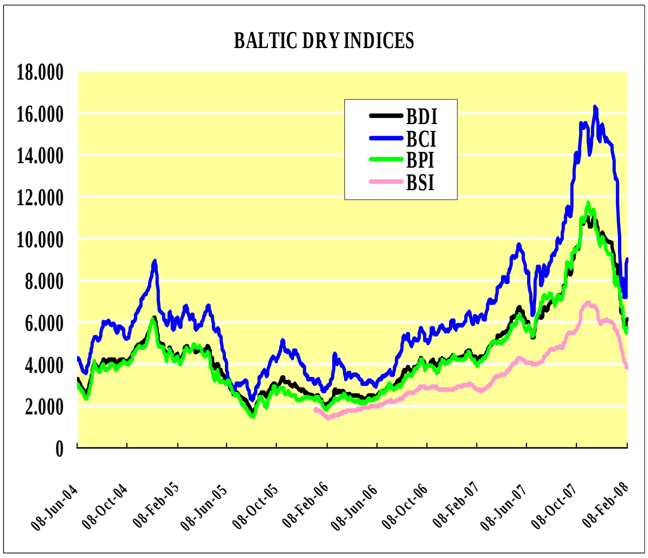
NEWBUILDING CONTRACTS

No.	Size	Type	Yard	Delivery	Price (mill)	Owners	Comm.
5 x	317,000 dwt	Vlcc	HHI	2010/11	n/a	Oman Shipping	
5 x	317,000 dwt	Vlcc	Daewoo	2010/11	n/a	Oman Shipping	
1 x	159,000 dwt	Tank	Hyundai Samho	2011	n/a	Iran-Hind Shipping	
2 x	147,000 cbm	Lng	Daewoo	2011	n/a	Brunei LNG	+2 opt.
2 x	45,000 dwt	Tank	SLS	2012	n/a	United Arab Shipping	
1 x	20,500 cbm	Lpg	Hyundai Mipo	2010	n/a	Bernhard Schulte	
1 x	180,000 dwt	Bulk	Dalian	2010	$90	Wah Kwong Shipping	
2 x	180,000 dwt	Bulk	HHI	2011	n/a	HHM	
4 x	180,000 dwt	Bulk	Qingdao Beihai	2012	$68	Hebei Ocean	
2 x	177,000 dwt	Bulk	SWS	2011	$90	Bottiglieri	
4 x	81,100 dwt	Bulk	C&Heavy	2009/10	$56	C & Shipping	
2 x	76,000 dwt	Bulk	Jiangnan	2012	$48	Shenzhen Energy	
2 x	52,000 dwt	Bulk	Oshima	2012/13	n/a	Saga Forest Carriers (op. hatch)	
2 x	37,000 dwt	Bulk	Nanjing Shenghua	2010	$42	Macs Maritime	
2 x	35,000 dwt	Bulk	SPP	2010	$39	E.T.A.	
4 x	35,000 dwt	Bulk	Nokbong	2011	$36	Middle Eastern	
1 x	12,500 teu	Cont	Daewoo	2011	$165	CMA CGM	
6 x	8,750 teu	Cont	Hyundai	2011	$138	Hapag Lloyd	

KEY INDICATORS

INDICES					
RATE OF EXCHANGE	**BALTIC EXCHANGE RATES**				
		THIS WEEK	***LAST WEEK***	***CHANGE***	***CHANGE %***
$ / Won: 941.6000	**Baltic Dry Index**	6353	6134	+219	+3.57%
$ / Nok: 5.534700	**Baltic Capesize**	9490	9031	+459	+5.08%
Euro / $: 1.448800	**Baltic Panamax**	6029	5749	+280	+4.87%
Stlg / $: 1.945000	**Baltic Supramax**	3913	3839	+74	+1.93%
$ / Yen: 107.3900	**Baltic Handysize**	1874	1954	-80	-4.09%
LIBOR (3-mos) / 3.16%	**Brent Crude**	$89.02	$91.73	-2.71	-2.95%





ESTIMATED VALUES						
TANKERS	**NB**	**PROMPT RESALE**	**5 YEARS**	**10 YEARS**	**20 YEARS**	**12 MONTH T/C**
VLCC 300,000 dwt	$148.0m	$154.0m	$135.0m	$112m (DH)	$45.0m (SH)	$65,000 PD
Suezmax 150,000 dwt	$92.0m	$105.0m	$95.0m	$77.0m (DH)	$38.0m	$47,500 PD
Aframax 105,000 dwt	$74.0m	$80.0m	$71.0m	$59.0m (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	$122,500 PD
Panamax 74 – 76,000 dwt	$55.0m	$93.0m	$87.0m	$70.0m	$42.0m	$60,625 PD
Supramax 52 – 59,000 dwt	$50.0m	$80.0m	$72.0m	$55.0m	$42.0m	$50,500 PD

BUNKER PRICES				
FUEL GRADES	**ROTTERDAM**	**FUJAIRAH**	**PIRAEUS**	**SINGAPORE**
380cst:	$406.00	$448.00	$408.00	$435.00
180cst:	$424.00	$467.00	$444.00	$445.00
MGO:	$795.00	$837.50	$810.00	$762.50

DEMOLITION

DEMOLITION STATISTICS				
TYPE OF SHIP	***THIS DATE 2008***	***THIS DATE 2007***	***2007 TOTAL***	***2006 TOTAL***
ULCC/VLCC	0	0	1	0
SUEZMAX	0	1	1	0
AFRAMAX	0	2	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	325	350	310
INDIA	525	535	480
BANGLADESH	545	565	500
PAKISTAN	535	560	485

DEMOLITION:

BANGLADESH

M/V **"GLENN BRAVEHEART"** (Ro-Ro) 2,215/64 - 4,194 LDT - USD 510/LDT

INDIA

M/V **"FORMOSA CONTAINER No. 2"** (cont) 22,623/81 - 11,440 LDT - USD 540/LDT - Sold on 'as is' basis including bunkers ROB

M/V **"ALFONSO"** (Ro-Ro) 10,539/78 - 7,395 LDT - USD 535/LDT - Sold on 'as is' basis with delivery in Port Suez for India

M/V **"JABAL ALI 3"** (RoPax) 2,613/71 - 5,944 LDT - USD 505/LDT - Sold on 'as is' basis with delivery in Port Rashid for India

PAKISTAN

M/T **"PINKE"** 28,524/76 - 6,509 LDT - USD 540/LDT (Old sale)

WEBERSEAS CONTACTS

SALE & PURCHASE	MOBILE PHONE NUMBER
Bobby Mitropoulos	6936-530005
Tom Protonotarios	6936-530006
Nicholas Sfinias	6944-343488
John Stamatakis	6936-853258
Spyros Karamassis	6945-776757
TANKER CHARTERING	
Basil Mavroleon	6932-644983
Christos Kalogeras	6944-514420
Lefteris Mystriotis	6946-762010
Dionysios Mitsotakis	6944-720337
ADMINISTRATION	
Yannis Mitropoulos	6936-530007
Ourania Savvaki	6934-257746

Very Truly Yours,

WEBERSEAS (HELLAS) S.A.