Fearnleys Weekly Report

Activity level

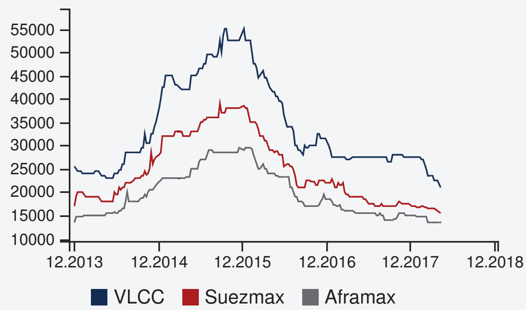
VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Stable	Stable	Mixed	Stable	Stable

	Last week	Prev.week
VLCCs fixed all areas last week:	65	43
VLCCs avail. in MEG next 30 days:	115	125

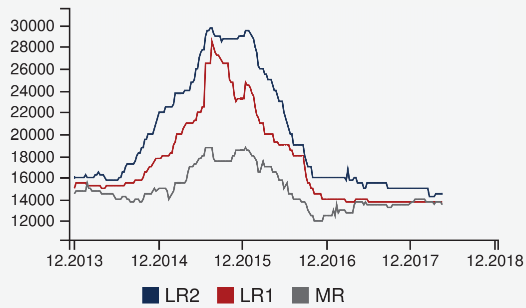
Rates

DIRTY (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / West	VLCC	18.00	18.00	16.00	23.50
MEG / Japan	VLCC	37.00	39.00	35.00	50.00
MEG / Singapore	VLCC	39.00	39.00	35.50	51.00
WAF / FEAST	260,000	40.00	40.00	37.50	48.50
WAF / USAC	130,000	57.50	52.50	50.00	67.50
Sidi Kerir / W Me	135,000	62.50	65.00	55.00	72.50
N. Afr / Euromed	80,000	85.00	77.50	75.00	110.0
UK / Cont	80,000	92.50	92.50	90.00	107.5
Caribs / USG	70,000	102.5	97.50	80.00	132.5
CLEAN (Spot WS)		**This week**	**Last week**	**Low 2018**	**High 2018**
MEG / Japan	75,000	85.00	87.50	80.00	120.0
MEG / Japan	55,000	107.5	110.0	90.00	115.0
MEG / Japan	30,000	127.5	130.0	110.0	140.0
Singapore / Japan	30,000	140.0	145.0	130.0	147.5
Baltic T/A	60,000	95.00	90.00	80.00	145.0
UKC-Med / States	37,000	142.5	145.0	112.5	165.0
USG / UKC-Med	38,000	100.0	95.00	80.00	135.0
1 YEAR T/C (usd/day) (theoretical)		**This week**	**Last week**	**Low 2018**	**High 2018**
VLCC	(modern)	21 000	22 500	21 000	27 500
Suezmax	(modern)	15 500	16 000	15 500	17 000
Aframax	(modern)	13 500	13 500	13 500	15 000
LR2	105,000	14 500	14 500	14 250	15 000
LR1	80,000	13 750	13 750	13 750	13 750
MR	47,000	13 500	13 750	13 500	14 000

1-Year T/C, Crude (USD/Day)



1-Year T/C, Clean (USD/Day)



TANKERS

Crude

A disappointing week for those who had expected a rally and thereby increasing rates for the VLCC's when we embarked on the May program on both Meg and Wafr. Rates are at best flat as the volumes which are not covered under COA's are simply not sufficient. 'Strangled' earnings well below opex is and has been the tune lately and not likely to change much till the summer is over. The volume of fixing in the Suezmax market over the past week has been quite significant with a steady flow of cargoes in the 2nd decade, owners have been particularly focused on voyage destination, with named cargoes managing to attract rates at slightly lower levels than a standard Wafr/Ukcm. The Nsea arb is showing signs of life and picking off tonnage which will further pressurise the Wafr position list in the days ahead. TD20 is currently at w60 and TD6 w77.5, who gets their subs over the coming days will dictate market direction. In the Nsea and Baltic Aframax charterers have been sitting on their Baltic cargoes for about a week. This was done to avoid a final push from owners with Ice class tonnage after a busy week and a w25 point jump in rates. Charterers have indeed taken the steam out of the Baltic market, and at the time of writing rates are more or less back to bottom levels. A handful of Aframaxes having loaded ECUK are floating about without any prospects, if this trend continues both markets could once again be put under pressure. In the Med and Blsea we have finally seen some positive signs for the owners! Increasing activity, particularly from Libya in the end/early window have pushed rates up to the mid-80's. At time of writing we are seeing a tonnage list that could point towards some higher rates, as long as the cargo activity in the area remains at decent levels. Owners are at least, for the first time in a while, there to fight for higher rates.

Product

EAST OF SUEZ Another week in the Middle East Gulf where owners have not been able add any upward pressure on rates so the dismal rate levels seen last few weeks persists. Rate for LR2's are today at ws85 whilst LR1's are at ws107,5 level, both For Far East destinations. LR1's have been able to maintain rate for Continent discharge at around USD 1,325 mill but LR2's have had to adjust rate to USD about USD 1,550 mill. Mr's trading from west coast India to Japan have had a flat week with rate still in the ws130 region. The market in the Far East has also show some signs of fatigue this week. The standard voyage from Singapore to Japan is down ws5 points to w140 level and the short haul voyage from south Korea to Japan has dropped from USD 370' to USD 340' this week. WEST OF SUEZ As last week there is a different mood in the western hemisphere and rates have shown a slightly positive trend in almost all segments. The straight Continent to States voyage is almost unchanged at ws145 level and the back haul cargo from the U.S. gulf has gained ws5 points since last week to ws 100 today, after dropping from ws110 earlier in the week. still this give owners daily return in the region of about USD 12.750 per day when triangulating. LR1's fixing from Continent to west Africa has gained ws5 point this week and is currently fixing at ws95 level. The slowly declining rate for LR2's loading in the Mediterranean for Far East discharge has continued this week and rate is today around USD 1,645 mill. The market for handies trading in the Mediterranean have been fairly flat this week and rate is around the ws140 mark, whilst handies on the Continent have been able to secure rates around the ws160 level up from ws145.

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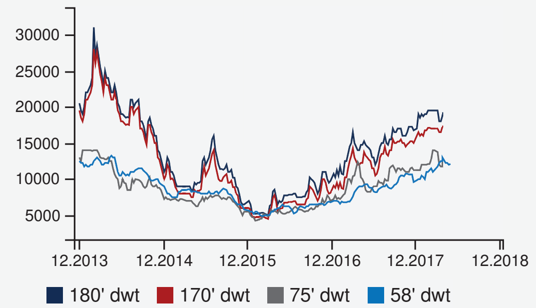
Activity level

Capesize	Panamax	Supramax
Strong	Soft	Mixed

Rates	This week	Last week	Low 2018	High 2018
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	33 500	24 000	18 000	37 000
Tubarao / R.dam (Iron ore)	9.00	6.40	5.30	10.00
Richards Bay/R.dam	7.00	6.00	5.40	10.00
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	9 500	10 250	9 500	13 750
TCT Cont / F. East	17 000	17 500	16 500	19 500
TCT F. East / Cont	4 600	4 600	4 300	5 200
TCT F. East RV	9 500	9 750	9 000	13 750
Murmansk b.13-ARA 15/25,000 sc	7.40	7.50	7.35	8.55
SUPRAMAX (usd/day)				
Atlantic RV	12 000	11 750	11 500	16 000
Pacific RV	11 000	10 750	8 000	11 250
TCT Cont / F. East	20 000	18 000	16 000	20 500
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	19 250	18 750	17 000	19 500
Capesize 170,000 dwt	17 400	17 250	16 000	17 400
Panamax 75,000 dwt	12 500	11 750	11 250	14 000
Supramax 58,000 dwt	12 100	12 000	10 000	13 000
Baltic Dry Index (BDI):	**1376**	**1124**	**n/a**	**n/a**

1-Year T/C, Dry bulk (USD/Day)



DRY BULK

Capesize

Big ships going strong on the back of very healthy flows of fresh enquiry, for the fronthaul route Brazil/China and transatlantic route Colombia/UKCM in particular. Values on these 2 conference trades up 40 and a whopping 210 pct w-o-w, coming in at USD 33500 respectively USD 20000/day. The Waust/China milk route is steady at moderate volumes, and earnings for pacific rounds "modestly" improved 20 pct to stand at USD 17k/day. Average general spot earnings up some 60 pct to USD 18500 during the last week, and no immediate signs of trend shifting. Period takers active, with representative fixtures including 180000 dwt/blt2012 done for 11-14 months at USD 19k, also 171000 dwt/blt 2005 for 14-16 months at arnd USD 16250

Panamax

Another uneventful week with falling rates in both hemispheres. A growing tonnage list, combined with little new fresh cargoes in the market the rates are again under pressure, especially in the north Atlantic. TA rates has dropped to mid 9k's, while the FH rates is in the range of low 17k's. The activity in the east has also been slow in accordance with the Atlantic market, but the changes in the rates has not been that negative compared to the TA and FH market. Transpacific RV is now priced in the range mid 9k's. The expectations about renewed activity from South America is much needed to lift the current rate levels in both basins. FFA's, May is priced at low 11k's, while June is at low 12k's on the P4TC index.

Supramax

A bit brighter week with rates picking up again in many areas. The usual scrap runs from cont to med were concluded around 16k, and scrap to SEA in mid 20s. Similar destination with fertz went around 20k. USG to India with Petcoke were fixing around 24-25k, and 25-26 bss Ultra to Far East with grains. ECSA to Far East on Supra still around 15k + bb with steels and grain. At the beginning of the week several fresh cargoes entered the market in the Pacific, however with still sufficient available tonnage to cover the fresh demand. Indo/China coal is paying owners around USD 12k delivery Spore, while Aussie RV is paying in the low USD 11k. Safr to India is paying around low USD 12k + USD 220k bb.

Activity level

COASTER	15-23,000 cbm	82,000 cbm
Stable	Moderate	Increasing

LPG Rates * Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2018	High 2018
VLGC / 84,000	205 000	105 000	105 000	535 000
LGC / 60,000	375 000	400 000	375 000	550 000
MGC / 38,000	450 000	470 000	450 000	470 000
HDY SR / 20-22,000	450 000	450 000	395 000	450 000
HDY ETH / 17-22,000	750 000	750 000	750 000	770 000
ETH / 8-12,000	470 000	470 000	440 000	480 000
SR / 6,500	430 000	430 000	370 000	430 000
COASTER Asia	290 000	290 000	250 000	290 000
COASTER Europe	320 000	320 000	280 000	385 000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	444.5	454.5	
Saudi Arabia / CP	475.0	470.0	
MT Belvieu (US Gulf)	438.3	438.3	459.4
Sonatrach : Bethioua	435.0	450.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2018	High 2018
East of Suez 155-165'cbm	35 000	35 000	35 000	80 000
West of Suez 155-165'cbm	44 000	45 000	44 000	85 000
1 yr TC 155-165'cbm	52 000	55 000	52 000	56 000

GAS

Chartering

The market in the East has been rather active this week with quite a few fixtures done. A handful of cargo enquiries were floated for the 2nd decade of May loading in the Middle-East, and consequently freight rates gained some upward momentum. Currently the East trades around USD 6,000 per day, up from about USD 3,500 per day one week ago. The Indian charterers are expected to float 2-to-4 enquiries for the 2nd and 3rd decade of May. The activity in the Western markets has also improved during the course of last week. Freight rates are in the mid-to-high USD 40's per metric tons (based on the bench-mark rate from Houston to Chiba via Panama Canal) for first- and second half May loading in the US Gulf. These levels reflect a time charter equivalent of almost 8,000 per day, whilst rates on the transatlantic run returns some 11-12,000 per day.

Fearnleys Weekly Report

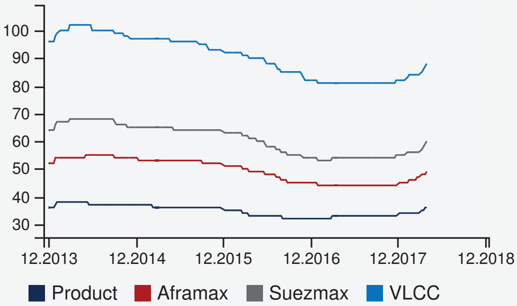
Activity level

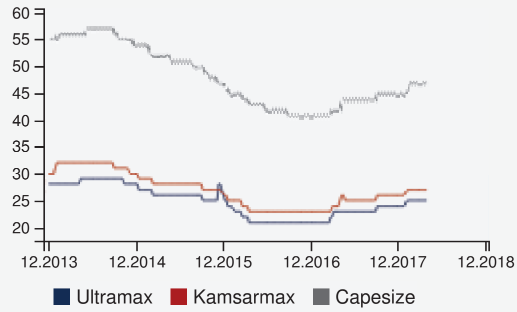
Tankers	Dry Bulkers	Others
Moderate	Low	Low

Prices

Average Far Eastern Prices

PRICES (mill usd)		This week	Last week	Low 2018	High 2018
VLCC	300'dwt	88.00	87.00	82.00	88.00
Suezmax	150'dwt	60.00	59.00	55.00	60.00
Aframax	110'dwt	49.00	48.00	44.50	49.00
Product	50'dwt	36.00	35.50	33.50	36.00
Capesize	180'dwt	47.00	47.00	45.00	47.00
Kamsarmax	82'dwt	27.00	27.00	26.00	27.00
Ultramax	64'dwt	25.00	25.00	24.00	25.00
LNGC	170'cbm - MEGI	185.0	185.0	184.5	185.0





Market brief

		This week	Last week	Low 2018	High 2018
Rate of exchange					
USD/JPY		109.2	107.1	105.8	112.2
USD/KRW		1 082	1 063	1 061	1 086
USD/NOK		7.97	7.75	7.68	8.10
EUR/USD		1.22	1.24	1.20	1.25
Interest rate					
LIBOR USD 6 mnths		2.50	2.50	1.84	2.50
NIBOR NOK 6 mnths		1.23	1.24	0.89	1.24
Commodity prices					
Brent spot (USD)		73.54	73.30	62.46	73.54
Bunker prices					
Singapore	380 CST	410.0	396.0	360.0	410.0
	180 CST	442.0	428.0	366.0	442.0
	Gasoil	645.0	625.0	554.0	645.0
Rotterdam	380 HSFO	379.0	375.0		379.0
	180 CST	406.0	402.0	368.0	406.0
	Diesel	621.0	605.0	527.0	621.0

NEWBUILDING

Few newbuilding orders this week. The British owner Hadley Shipping booked one firm Kamsarmax at Yangzijiang, with one option. KOTC continued their orders for tankers, four firm MRs are reported at Hyundai Mipo.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	1	82,000 dwt	Jiangsu Yangzijiang	Hadley Shipping	2019	$ 26.3 m	+ 1 option
RoPax	1	1,350 Pax	Pella Sietas	Norden-Frisia	2020		
TANK	4	48,000 dwt	Hyundai Mipo	KOTC	2019 / 2020		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Zhongji No. 2	45 697	2008	Undisclosed	11,50	
MT	Oceanis Coral	13 224	2008	Undisclosed	7,20	
MT	Gulf Petroleum 4	13 006	2009	Gulf Petroleum	10,30	
MT	Angleviken	12 796	2005	Petrovietnam	7,10	
BC	Shourong Harmony	180 323	2010	Undisclosed	25,00	
BC	E Tracer	57 000	2011	Chinese	11,90	
BC	E Traveller	56 745	2011		11,90	
BC	E Transporter	56 745	2010		11,60	
BC	E Trader	56 745	2010		11,60	
BC	Luminous Halo	56 018	2006	European	12m5	
BC	Challenger	52 413	2001	Undisclosed	8,60	
BC	Aegis Fortune	52 261	2001	Indonesian	8,30	
BC	AT 40	42 246	1995	Undisclosded	5,10	
BC	Nordic Visby	35 052	2010	Nass Risan partners	9,30	
BC	Nordic Stockholm	35 033	2020		9,30	
BC	PPS Ambition	33 328	2013	European	15,30	
BC	Zenith Explorer	28 343	2008	Taiwanese	xs 8	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MT Distya	149 834	21 733	1995	Bangladeshi	445
MT Platinum	45 614	12 450	1996	Bangladeshi	465
MT Mahika	36 457	7 301	1994	Indian	290
CONT MTT Kinabalu	14 191	5 652	1993	Undisclosed	443