

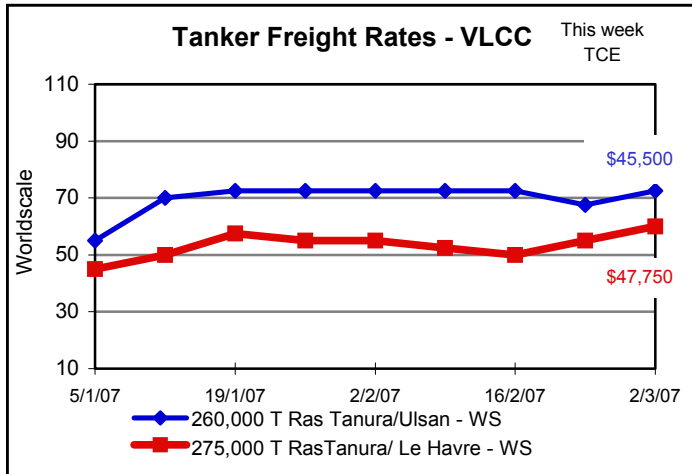


TANKER NEWSLETTER

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

N° 510 - March 2nd, 2007

CRUDE

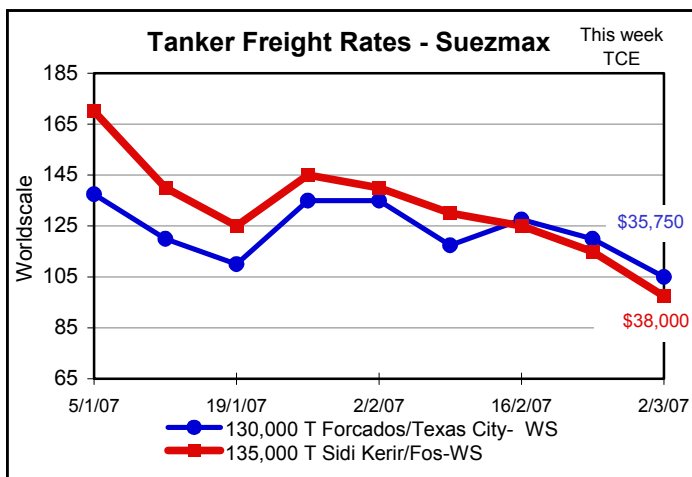


Number of stems covered:

For March = 77

Number of ships till:

31st March = 60



WAF Figures:

Number of stems covered:

For March = 39

Number of ships till:

31st March = 29

Although bunker prices have progressed by another US\$15/t, this week, **VLCC** owners seem to have regained some optimism. Regular demand and a certain lack of modern double hull tonnage by end March has been a positive vector on rates. The few fixtures concluded to the West have resulted in a gain of another 5 points (10 in two weeks time) at WS60 (about US\$48,000/day) and the lack of modern vessels could lead to further gains. Thanks to this better tone, some of the older single hull units have finally managed to push rates up by as much as 15 points for Eastern destinations at about WS65 (close to US\$40,000/day). With probably still about 30/35 cargoes to be fixed for loading by end March, next week will reflect the actual trend for this market! From West Africa, stable demand but negative influence from a depressed Suezmax market resulted in rates unchanged at WS80 for US Gulf (US\$54,000/day).

VLCC MEG WS TREND :



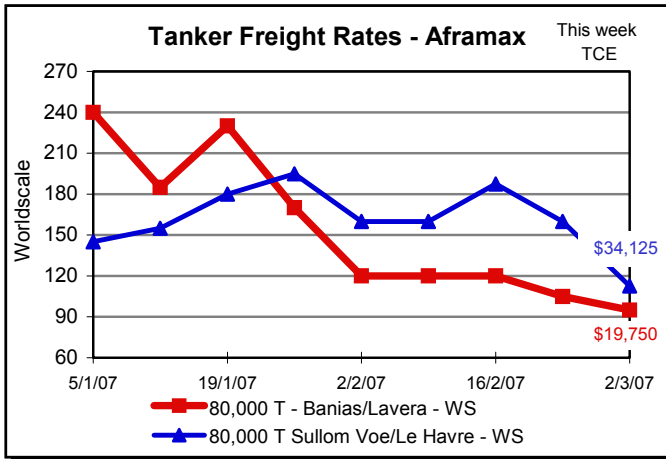
As anticipated in our previous report, the owners of **Suezmax** tankers have been severely affected by two weeks of extremely low activity, and rates this week have lost between 15 and 20 points on all western markets. Despite a dozen fixtures concluded from West Africa this week, it was not enough to absorb the large amount of available tonnage. Rates quickly plunged and seem to have now bottomed out at WS100 for Europe and WS105 to the US Gulf (hardly better than US\$35,000/day). For the fourth consecutive week, the Med and Black Sea markets have continued to weaken and rates have even dropped below WS100 for the first time over a very long period equalling to TCE below US\$40,000 per day. With the present harsh situation experienced by Aframax owners, there is limited chance for a quick revival.

SUEZMAX WAF WS TREND :



SUEZMAX MED WS TREND :

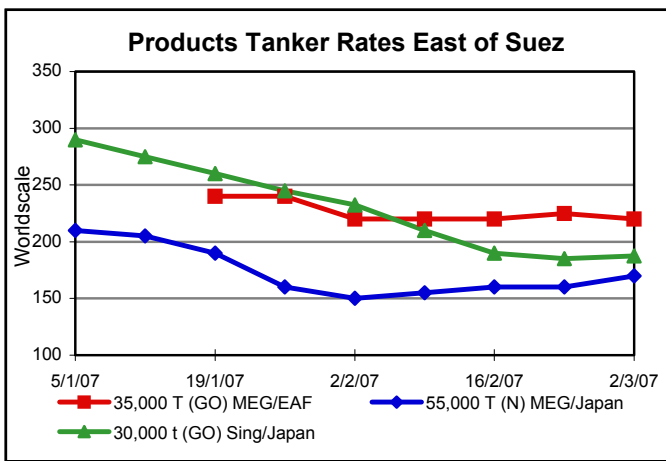




On the **Aframax** front, at least in Europe, owners have registered another slow week with rates again heavily affected. Lack of demand in the Med linked to an increasing list of prompt ships available has allowed charterers to 'gain' a few more points with rates for cross-Med ending around WS90 (- 15 pts) providing daily returns below US\$20,000. Equally dull activity in the North Sea also penalised owners who, this time, had to put their pants down with rates losing as much as 50 points for short voyages (WS110/close to US\$30,000/day). In comparison, at least till today, the Caribbean market is holding at better levels and despite rates for local voyages having gone from WS225 to WS200, daily returns are still fetching US\$45,000/day.

AFRAMAX NORTH SEA WS TREND : ➡ ➡

AFRAMAX MED WS TREND : ➡



PRODUCT

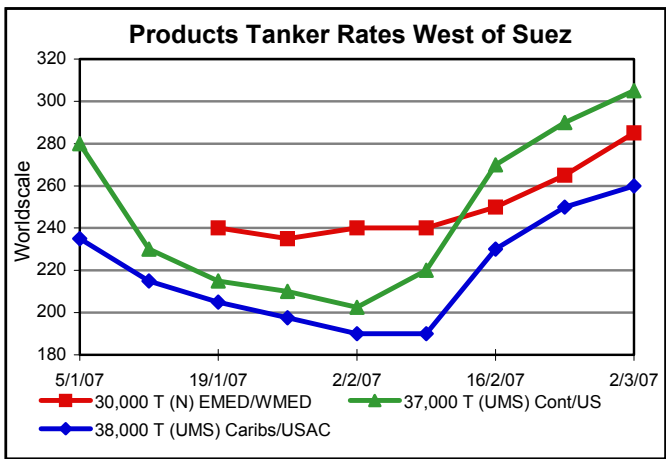
In the East of Suez, in spite of a short list of available tonnage, the week started on a low tune for **LR1/LR2** with a couple of fixtures MEG/Japan done at 52,500t x WS165, but as the list of available ships shortened, the market started to rebound. At the end of the week, rates went up to WS140/145 for LR2 and WS180/182.5 for LR1. Most of the **LR** ending in Europe fixed to West thanks to a firm transatlantic market which, given the limited number of LR still available at the end of the week, is a good sign for the near future.

MR were slow in MEG in spite of some decent rates paid for Australia or USWC discharge. Prospects for next week are equally dull.

Following the trend of the two previous weeks, the Med market continued to be very active and rates progressed further. The strong T/A activity, that last for almost a month, and the bad weather reducing ships speed to about 9 knots during these long voyages, contributed to reduce the number of ships available in Med.

Charterers are now bound to pay WS290 for cross-Med voyages and WS285 with a min flat Augusta for Black Sea cargoes, both rates based on 30 knots. Owners' target is now the WS300 mark and it is likely that it can be reached within short.

The list of available clean ships was quite tight at the beginning of the week in North West Europe, the usual supply and demand scenario did not fail to work. 22,000t cross UK Cont went up from WS255 to WS270 and 30,000t cargo Baltic/UK Cont went from WS240 to WS265. The trend is likely to continue. Several US refineries closed for maintenance combined with an unusually high demand pushed the market further up for the 4th consecutive week. 37,000t Cont/Transatlantic was paid in excess of WS340, a 15% progression compared



to last week.

On the period front, MR rates for Cont/Transatlantic (dnr exceeding US\$38,000/day) induced charterers to conclude short periods at healthy numbers: PDVSA secured a modern MR for 6/6 months at US\$26,000 (net).

Majors have also been active with EXXMOB fixing a MR N/B on subs at around US\$21,000/day for 3 years period.

