



Fearnleys Weekly Report

Activity level

| VLCC | Suezmax | Aframax | P.E. of Suez | P.W. of Suez |
|--------|---------|---------|--------------|--------------|
| Active | Soft | Mixed | Mixed | Mixed |

| | Last week | Prev. week |
|-----------------------------------|-----------|------------|
| VLCCs fixed all areas last week: | 62 | 28 |
| VLCCs avail. in MEG next 30 days: | 86 | 106 |

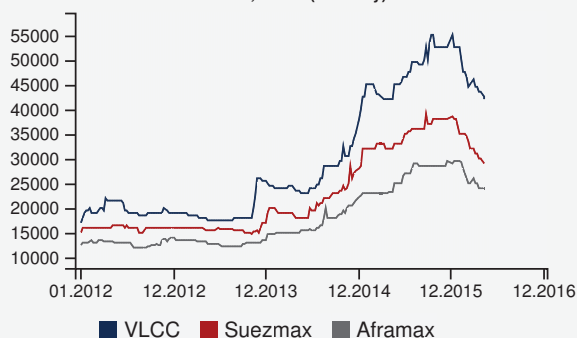
Rates

| DIRTY (Spot WS) | | This week | Last week | Low 2016 | High 2016 |
|-------------------|---------|-----------|-----------|----------|-----------|
| MEG / West | VLCC | 35.00 | 36.50 | 26.00 | 63.00 |
| MEG / Japan | VLCC | 57.50 | 47.50 | 47.50 | 111.5 |
| MEG / Singapore | VLCC | 60.00 | 48.50 | 48.50 | 113.5 |
| WAF / FEAST | 260,000 | 60.00 | 57.50 | 55.00 | 113.0 |
| WAF / USAC | 130,000 | 72.50 | 85.00 | 67.50 | 115.0 |
| Sidi Kerir / W Me | 135,000 | 75.00 | 80.00 | 72.50 | 135.0 |
| N. Afr / Euromed | 80,000 | 85.00 | 85.00 | 82.50 | 117.5 |
| UK / Cont | 80,000 | 107.5 | 112.5 | 92.50 | 125.0 |
| Caribs / USG | 70,000 | 135.0 | 145.0 | 90.00 | 145.0 |

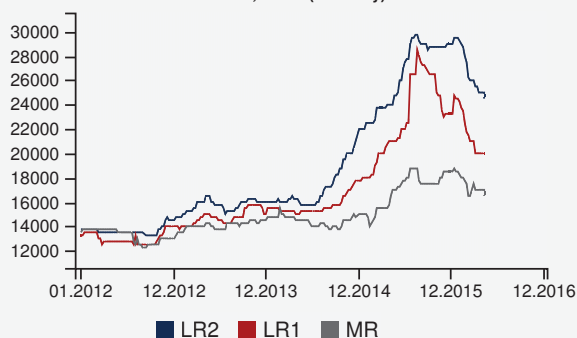
| CLEAN (Spot WS) | | This week | Last week | Low 2016 | High 2016 |
|-------------------|--------|-----------|-----------|----------|-----------|
| MEG / Japan | 75,000 | 80.00 | 85.00 | 80.00 | 160.0 |
| MEG / Japan | 55,000 | 95.00 | 100.0 | 90.00 | 150.0 |
| MEG / Japan | 30,000 | 120.0 | 120.0 | 100.0 | 135.0 |
| Singapore / Japan | 30,000 | 135.0 | 137.5 | 127.5 | 150.0 |
| Baltic T/A | 60,000 | 95.00 | 100.0 | 90.00 | 155.0 |
| UK-Med / States | 37,000 | 122.5 | 115.0 | 92.50 | 152.5 |
| USG / UKC-Med | 38,000 | 80.00 | 87.50 | 67.50 | 125.0 |

| 1 YEAR T/C (USD/day) (theoretical) | | This week | Last week | Low 2016 | High 2016 |
|------------------------------------|----------|-----------|-----------|----------|-----------|
| VLCC | (modern) | 42 000 | 42 500 | 42 000 | 55 000 |
| Suezmax | (modern) | 29 000 | 29 000 | 29 000 | 38 500 |
| Aframax | (modern) | 24 000 | 24 000 | 24 000 | 29 500 |
| LR2 | 105,000 | 24 500 | 25 000 | 24 500 | 29 500 |
| LR1 | 80,000 | 20 000 | 20 000 | 20 000 | 24 750 |
| MR | 47,000 | 16 500 | 17 000 | 16 500 | 18 750 |

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



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



TANKERS

Crude

A very slow start of the week with rates correcting well down for the major VLCC routes. It did however change as activity over the long weekend radically increased, particularly in the MEG. Rates rebounded quickly off the bottom and started to firm on increased demand combined with newfound optimism among owners. In West Africa, the May program appears covered and charterers have started on June dates. Rates here as well under upward pressure. Somewhat slower in the Caribbean, and rates here a little softer. After a week with holidays for most Suezmax players, the activity level has dropped and along with it so has the rates. A quoted cargo for a West Africa/West run saw a new low for the month as the market dropped over 10 points due to a lack of other enquiries. Charterers are now working their 3rd decade requirements ex West Africa, but expect rates to balance off last done for the time being as tonnage accumulates especially in the East where a handful of Suezmaxes on short period has been given redelivery notices simultaneously. In the Mediterranean and Black Sea, we have seen the market stabilize around ws85-87.5 level. Black Sea program looks thinner this week due to maintenance in Novo, but despite this the list still seems quite balanced and we expect the market to remain steady for the week to come. In the North Sea and Baltic we will see a downward correction in rates. There is a surplus of available tonnage and combined with a lighter North Sea program the Charterers, in the short term, have the upper hand.

Product

EAST OF SUEZ With continuously slow activity in the LR2 market in the Middle East, the market is now in its 4th consecutive week with softening rates. The last done fixture for MEG/Japan is still at ws82.5, but with USD 1.6 million done for MEG/UKC charterers will surely push for lower numbers on the MEG/Japan route as well. The position list will certainly allow it. The LR1 market has remained soft as well this week, as we currently assess MEG/Japan at around ws95 and USD 1.3 million for MEG/UKC. As for the MR market, activity has subsided somewhat since last week and for the time being it looks as though rates have flattened. **WEST OF SUEZ** With London off on holiday on Monday, the week got off to a slow start, with hardly any activity in any of the different segments. And for the LR2 market, it seems as if the Brits never made it back to work as the market has been almost completely dead this week. The LR1 market remains quiet as well with only some activity on the UKC/West Africa trade. For both the LR1 and LR2 market rates remain under pressure whilst the owners await busier days... With delays and ullage-issues on the Continent, the MR market has managed to firm a few points since last week. UKC/USAC is currently trading at around ws122.5 and for the next couple of weeks the position list is relatively tight considering all the uncertain ships. After a few weeks now of firm rates close to ws200 for the x-MED Handy market, the air came out of the balloon as activity tried up before the weekend. Rates are down 50 points so far, but most likely, we have not seen the end yet...



Fearnleys Weekly Report

Activity level

| Capesize | Panamax | Supramax |
|----------|---------|----------|
| Slower | Slow | Stable |

| Rates | This week | Last week | Low 2016 | High 2016 |
|--------------------------------------|------------|------------|------------|------------|
| CAPESIZE (usd/day, usd/tonne) | | | | |
| TCT Cont/Far East (180' dwt) | 15 800 | 17 000 | 6 100 | 17 000 |
| Tubarao / R.dam (Iron ore) | 4.70 | 5.10 | 2.00 | 5.10 |
| Richards Bay/R.dam | 4.00 | 4.20 | 2.00 | 4.20 |
| PANAMAX (usd/day, usd/tonne) | | | | |
| Transatlantic RV | 5 700 | 8 000 | 1 400 | 8 500 |
| TCT Cont / F. East | 8 700 | 10 000 | 5 000 | 11 500 |
| TCT F. East / Cont | 600.0 | 640.0 | 250.0 | 650.0 |
| TCT F. East RV | 4 800 | 5 750 | 1 925 | 5 750 |
| Murmansk b.13-ARA 15/25,000 sc | 5.45 | 5.55 | 3.60 | 5.75 |
| SUPRAMAX (usd/day) | | | | |
| Atlantic RV | 6 500 | 6 500 | 2 510 | 6 500 |
| Pacific RV | 5 000 | 5 000 | 2 000 | 5 500 |
| TCT Cont / F. East | 11 000 | 11 000 | 5 100 | 11 000 |
| 1 YEAR T/C (usd/day) | | | | |
| Capesize 180,000 dwt | 7 500 | 8 550 | 5 000 | 8 550 |
| Capesize 170,000 dwt | 6 900 | 7 800 | 4 500 | 7 800 |
| Panamax 75,000 dwt | 5 500 | 5 600 | 4 250 | 5 750 |
| Supramax 53,000 dwt | 6 500 | 6 250 | 4 900 | 6 500 |
| Baltic Dry Index (BDI): | 652 | 715 | n/a | n/a |

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



Activity level

| COASTER | 15-23,000 cbm | 82,000 cbm |
|----------|---------------|------------|
| Moderate | Moderate | Low |

| | | | | |
|---------------------------------|------------------|------------------|-----------------|------------------|
| LPG Rates | | | | |
| * Excl. waiting time, if any | | | | |
| SPOT MARKET (usd/month)* | This week | Last week | Low 2016 | High 2016 |
| VLGC / 84,000 | 615 000 | 625 000 | 550 000 | 1 765 000 |
| LGC / 60,000 | 705 000 | 705 000 | 705 000 | 1 500 000 |
| MGC / 38,000 | 820 000 | 850 000 | 820 000 | 1 075 000 |
| HDY / 22,000 | 800 000 | 830 000 | 800 000 | 920 000 |
| ETH / 10,000 | 460 000 | 480 000 | 460 000 | 530 000 |
| SR / 6,500 | 430 000 | 440 000 | 430 000 | 460 000 |
| COASTER Asia | 142 500 | 142 500 | 142 500 | 155 000 |
| COASTER Europe | 165 000 | 165 000 | 165 000 | 190 000 |

| | | | | |
|-----------------------------------|--|----------------|---------------|------------|
| LPG/FOB prices (usd/tonne) | | Propane | Butane | ISO |
| FOB North Sea / ANSI | | 267.5 | 278.0 | |
| Saudi Arabia / CP | | 325.0 | 380.0 | |
| MT Belvieu (US Gulf) | | 255.9 | 278.0 | 290.8 |
| Sonatrach : Bethioua | | 270.0 | 312.0 | |

LNG

| | | | | |
|------------------------------|------------------|------------------|-----------------|------------------|
| SPOT MARKET (usd/day) | This week | Last week | Low 2016 | High 2016 |
| East of Suez 155-165'cbm | 29 000 | 30 000 | 29 000 | 30 000 |
| West of Suez 155-165'cbm | 30 000 | 31 000 | 29 000 | 32 000 |
| 1 yr TC 155-165'cbm | 30 000 | 30 000 | 30 000 | 35 000 |

DRY BULK

Capesize

With various holidays around the world, the last week's positive trend in the Cape market came to an end. West Australia rates are again sub USD 4 and time charter rates are approaching USD 5000 levels. Activity in the Atlantic is cooling off as well, and period activity is consequently scarce.

Panamax

With bank holidays beginning week, Golden Week in Japan and upcoming holidays in Europe the mrkt has been very quiet this week. Rates continue to slide and the pressure for North Atlantic is no longer there. The recent week's main driver; grains ex ECSA is coming off. We see fewer stems for May and what is left is being swallowed by the ballasters, most recently at USD 7k+190kGBB. We do not see any immediate signs for recovery either and believe this sliding tendency will continue short term. In the Eastern hemisphere we see the same tendency with rates coming off. Aussie rv being fixed in the high 4k for index type while the bigger kmax can fetch mid 5k. Short periods are being fixed at 5,750 while 1 year at 5k.

Supramax

The Supra market in the East, as here in the Atlantic, is affected by the upcoming long weekend. Charterers in general have been trying to use the lack of action to draw the numbers down, but largely without success. The most lively market has still been the Continent which has continued to draw tonnage out of the Mediterranean. Also the Handy's continue to see good numbers with East Med delivery for loading off the Continent back to the East Med at very healthy numbers considering this is a full round trip. On the period front, an Ultra has concluded short period off West Africa, with WW redelivery at upper USD 9000's which can be considered healthy.

GAS

Chartering

The spot activity in the VLGC market has slowed down quite a bit over the last few days, Golden Week in Japan as well as UK and Singaporean holidays on Monday are partly to blame for the sluggish freight market. The main reason, however, are the continued meagre spreads between FOB and CFR prices that at the time of writing only allow for spot rates well below recent (low) market fixtures. We have counted less than a handful sub-fixtures in the VLGC market since our latest weekly, and the rates have been rather stable returning some USD 20/21,000 per day on modern vessels. The Baltic VLGC index has been quite uninspiring lately, just when the market thought the index was on its way up to more sustainable numbers, the curve turned down and the latest posting is similar to the index level 2 weeks ago. The spot fleet balance does not look bad ahead, but it is not likely that the owners will get the upper hand over the next few weeks unless FOB prices drop and/or CFR prices go up. At the moment owners are willing to repeat the numbers they have been quoting lately, but unfortunately the charterers can only consider discounts to those numbers for the time being. The panellists for the Baltic Forward Assessment carry on painting a very bleak freight picture over the summer, the VLGC owners probably characterize the forecast as an insult and an annoyance.



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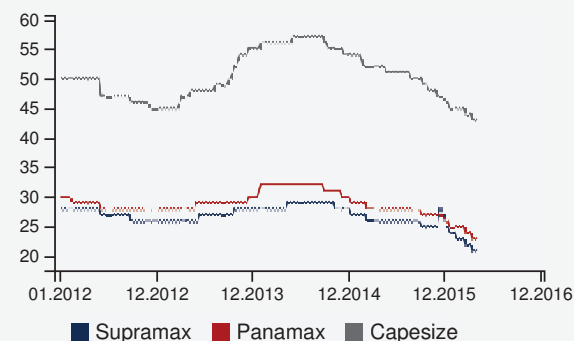
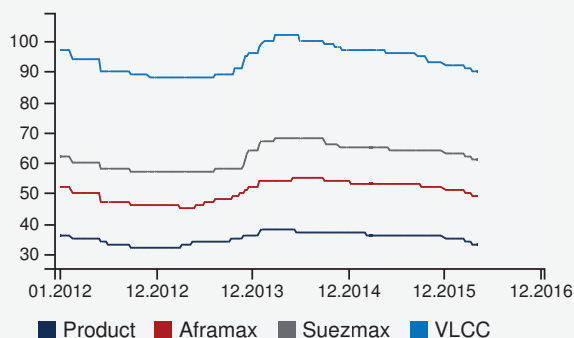
Activity level

| Tankers | Dry Bulk | Others |
|---------|----------|--------|
| Low | Low | Low |

Prices

Average Far Eastern Prices

| PRICES (mill usd) | | This week | Last week | Low 2016 | High 2016 |
|-------------------|----------------|-----------|-----------|----------|-----------|
| VLCC | 300'dwt | 90.00 | 90.00 | 90.00 | 92.00 |
| Suezmax | 150'dwt | 61.00 | 61.00 | 61.00 | 63.00 |
| Aframax | 110'dwt | 49.00 | 49.00 | 49.00 | 51.00 |
| Product | 50'dwt | 33.00 | 33.00 | 33.00 | 35.00 |
| Capesize | 180'dwt | 43.00 | 43.00 | 43.00 | 46.00 |
| Panamax | 82'dwt | 23.00 | 23.00 | 23.00 | 26.00 |
| Supramax | 64'dwt | 21.00 | 21.00 | 21.00 | 24.50 |
| LNGC | 160'cbm - DFDE | 190.0 | 190.0 | 190.0 | 193.0 |
| LNGC | 170'cbm - DFDE | 196.0 | 196.0 | 196.0 | 203.0 |



Market brief

| | This week | Last week | Low 2016 | High 2016 |
|-------------------------|-----------|-----------|----------|-----------|
| Rate of exchange | | | | |
| USD/JPY | 106.6 | 111.2 | 106.6 | 118.6 |
| USD/KRW | 1 155 | 1 150 | 1 135 | 1 234 |
| USD/NOK | 8.11 | 8.13 | 8.11 | 8.96 |
| EUR/USD | 1.15 | 1.13 | 1.07 | 1.15 |
| Interest rate | | | | |
| LIBOR USD 6 mnths | 0.91 | 0.91 | 0.85 | 0.91 |
| NIBOR NOK 6 mnths | 1.12 | 1.08 | 1.05 | 1.23 |
| Commodity prices | | | | |
| Brent spot (USD) | 45.16 | 46.58 | 28.06 | 46.58 |
| Bunker prices | | | | |
| Singapore 380 CST | 216.0 | 218.0 | 145.0 | 218.0 |
| 180 CST | 221.0 | 229.0 | 148.0 | 229.0 |
| Gasoil | 413.0 | 419.0 | 265.0 | 419.0 |
| Rotterdam 380 HSFO | 195.0 | 184.0 | 107.0 | 195.0 |
| 180 CST | 212.0 | 190.0 | 127.0 | 212.0 |
| Diesel | 379.0 | 366.0 | 245.0 | 379.0 |

NEWBUILDING

Very little shipyard activity this week. Two VLGCs ordered by Japanese compatriot Nissen Kaiun for construction at MHI. Although no price reported a VLGC is today estimated at low-mid 70s.

NEWBUILDING CONTRACTS

| Type | No | Size | Yard | Buyer | Del | Price | Comm |
|------|----|-----------|------|--------------|------|-------|----------------------|
| VLGC | 2 | 83000 cbm | MHI | Nissen Kaiun | 2020 | | On charter to BW LPG |

SALE AND PURCHASE TRANSACTIONS

| Type | Vessel | Size | Built | Buyer | Price | Comm. |
|------|-------------------------|--------|-------|-----------------|-------|------------------|
| MT | Jade | 39 990 | 2007 | Vietnamese | 21,50 | |
| BC | Eternal Power | 97 043 | 2004 | Undisclosed | 6,20 | |
| BC | Safe Voyager | 82 514 | 2007 | Pavimar | 9,20 | |
| BC | Ocean Spirit | 73 807 | 1999 | Chinese | 3,10 | |
| BC | Yangfan Hull BC64K-DM01 | 64 000 | 2016 | Korea Line Corp | 15,50 | |
| BC | Steel Vision | 48 913 | 2001 | Undisclosed | 3,50 | |
| BC | Boronia K | 33 671 | 2011 | Undisclosed | 7,80 | SS due 8/2016 |
| BC | Tritonia | 32 285 | 2007 | Pola Maritime | 6-6,3 | |
| BC | Madrisa | 27 211 | 2006 | Undisclosed | 3,80 | SS/DD due 9/2016 |
| BC | Voge Lena | 23 612 | 1998 | Undisclosed | 2,00 | DD due 9/2016 |

DEMOLITIONS

Sold for demolition

| Vessel name | Size | Ldt | Built | Buyer | Price |
|------------------------|---------|--------|-------|------------------|-------|
| MV Golden Trust | 170 907 | 21 000 | 1996 | Pakistani | 316,5 |
| MT Faisal | 97 151 | 15 369 | 1990 | Pakistani | 320 |
| MV Spar Neptun | 70 101 | 9 302 | 1994 | Indian | 290 |
| CONT Cathrine Rickmers | 58 341 | 21 382 | 2002 | Singapore | 324 |
| MV New Fantasy | 45 554 | 8 852 | 1996 | Bangladeshi | 290 |
| MV New Giant | 45 554 | 8 852 | 1996 | Bangladeshi | 290 |
| MV Genco Marine | 45 222 | 7 501 | 1996 | Bangladeshi | 292 |
| MV Indian Ocean I | 43 910 | 8 642 | 1996 | Indian | 290 |
| MT Adventure | 41 037 | 7 931 | 1990 | Indian/Pakistani | 305 |
| MV Bao Heng | 39 999 | 9 500 | 1988 | Indian | 294 |
| CONT Captain Costas | 30 007 | 8 500 | 1992 | Indian | 331 |
| MT Adela | 20 791 | 6 030 | 1982 | Indian/Pakistani | 288 |
| GC Xiang Rui Men | 20 410 | 8 193 | 1989 | Indian | 290 |
| LPG Marimar Gas | 18 270 | 8 215 | 1981 | Indian | 340 |
| GC Lady Leen | 8 750 | 3 600 | 1986 | Indian | 270 |