



Fearnleys Weekly Report

Activity level

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

| | Last week | Prev. week |
|-----------------------------------|-----------|------------|
| VLCCs fixed all areas last week: | 47 | 47 |
| VLCCs avail. in MEG next 30 days: | 110 | 101 |

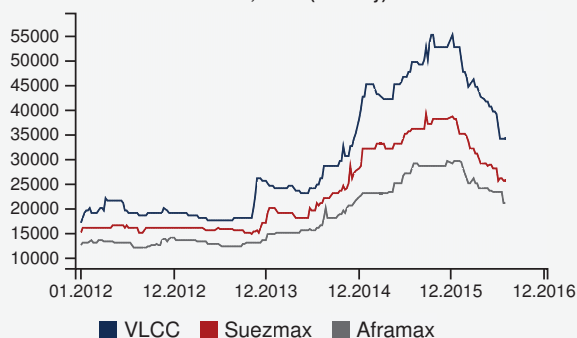
Rates

| DIRTY (Spot WS) | | This week | Last week | Low 2016 | High 2016 |
|-------------------|---------|-----------|-----------|----------|-----------|
| MEG / West | VLCC | 24.00 | 27.00 | 24.00 | 63.00 |
| MEG / Japan | VLCC | 35.00 | 44.00 | 35.00 | 111.5 |
| MEG / Singapore | VLCC | 36.00 | 45.00 | 36.00 | 113.5 |
| WAF / FEAST | 260,000 | 44.00 | 49.00 | 44.00 | 113.0 |
| WAF / USAC | 130,000 | 47.50 | 55.00 | 47.50 | 115.0 |
| Sidi Kerir / W Me | 135,000 | 55.00 | 67.50 | 55.00 | 135.0 |
| N. Afr / Euromed | 80,000 | 72.50 | 75.00 | 72.50 | 122.5 |
| UK / Cont | 80,000 | 82.50 | 90.00 | 82.50 | 125.0 |
| Caribs / USG | 70,000 | 85.00 | 77.50 | 75.00 | 145.0 |

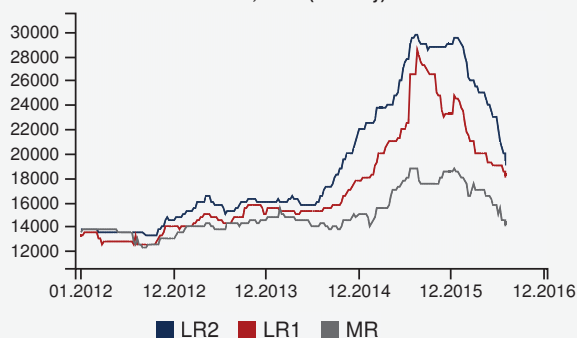
| CLEAN (Spot WS) | | This week | Last week | Low 2016 | High 2016 |
|-------------------|--------|-----------|-----------|----------|-----------|
| MEG / Japan | 75,000 | 102.5 | 85.00 | 80.00 | 160.0 |
| MEG / Japan | 55,000 | 100.0 | 97.50 | 90.00 | 150.0 |
| MEG / Japan | 30,000 | 110.0 | 110.0 | 100.0 | 135.0 |
| Singapore / Japan | 30,000 | 120.0 | 120.0 | 120.0 | 150.0 |
| Baltic T/A | 60,000 | 92.50 | 75.00 | 65.00 | 155.0 |
| UKC-Med / States | 37,000 | 90.00 | 105.0 | 90.00 | 152.5 |
| USG / UKC-Med | 38,000 | 55.00 | 65.00 | 55.00 | 125.0 |

| 1 YEAR T/C (USD/day) (theoretical) | | This week | Last week | Low 2016 | High 2016 |
|------------------------------------|----------|-----------|-----------|----------|-----------|
| VLCC | (modern) | 34 000 | 34 000 | 34 000 | 55 000 |
| Suezmax | (modern) | 25 500 | 25 500 | 25 500 | 38 500 |
| Aframax | (modern) | 21 000 | 21 000 | 21 000 | 29 500 |
| LR2 | 105,000 | 19 000 | 20 000 | 19 000 | 29 500 |
| LR1 | 80,000 | 18 000 | 18 500 | 18 000 | 24 750 |
| MR | 47,000 | 14 000 | 14 500 | 14 000 | 18 750 |

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



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



TANKERS

Crude

A disappointing week for the VLCC owners. Activity in general measured at best and momentum slow. Tonnage has built up both for Meg and West Africa which has placed the charterers firmly in the driving seat. The result has been rates under severe attacks throughout the week and earnings Meg/East fallen to abt\$20k/pd, the lowest this year. Wafr/East activity also low with force majeure in several Nigerian ports. Some more activity Cbs/East is one of the few bright spots out there. Activity is very slow, and the rates are plunging as we move into the later parts of the summer months for Suezmaxes. The slow demand along with a tonnage build up in all areas have moved rates downwards to this year's lowest. There are still Force Majeure in Nigerian ports, and the Black Sea has also seen very little activity and gives little or no help to dampen the soft trend we are seeing. With a handful of vessels spot in Gibraltar and West Africa, there are no imminent promise that the rates will firm up in the nearest future. Aframax in the North Sea and Baltic has been rather uninspiring and flat this last this last seven days. There is no signs of a quick recovery but could but we could see a glimmer of light in 3rd decade, as Baltic Crude Programs are marginally busier. In the Med and Bsea owners are still facing extremely low rates. Cargo activity have increased for beginning of August, but it is still not enough compared to the list of available tonnage. The fear of staying prompt is bigger than the desire for higher rates, and we expect the market to stay around these levels for the week to come.

Product

EAST OF SUEZ After a fairly steady last week in the Middle East Gulf, this week has been very positive. LR2 owners have seen more activity from charterers both for east and west destinations. And naturally owners have been able to improve rates. Today ws 102,5 is on subs for Far East destination and we also have seen USD 2,1 mill been reported for West destination. Unfortunately the improved market for LR2's have not yet spilled over to the LR1's where rates for Far East is still stable around the ws100 mark. The MR market in the Far East is unchanged from last week with ws 110 being paid for west coast India to Japan, and Singapore to Japan basis 30.000 tons pays ws120. **WEST OF SUEZ** It has been a mixed week for owners trading in the Atlantic. For MR's, with an increased position list, have seen rates for a trans-Atlantic voyage drop from ws 105 level to today's ws 90. The back haul possibility for MR's have not helped either with rates today fixed around the ws 55 mark, down some 10 points from last week. On the positive side LR1's have been able to secure an increase in rates from ws 75 level last week to ws 92,5 today. For LR2's the activity from the Continent is still very quiet but owners have been more lucky in securing cargoes from the Mediterranean where rates have increased close to USD 100.000 last week. Rate obtained is about Lumpsum USD 1.650 mill today. Handies trading short haul on the Continent unchanged at around ws110 level.



Fearnleys Weekly Report

Activity level

| Capesize | Panamax | Supramax |
|-----------|-----------|-----------|
| Weakening | Weakening | Weakening |

| Rates | This week | Last week | Low 2016 | High 2016 |
|--------------------------------------|------------|-----------|------------|------------|
| CAPESIZE (usd/day, usd/tonne) | | | | |
| TCT Cont/Far East (180' dwt) | 12 500 | 14 000 | 6 100 | 17 000 |
| Tubarao / R.dam (Iron ore) | 4.20 | 4.60 | 2.00 | 5.10 |
| Richards Bay/R.dam | 3.65 | 3.90 | 2.00 | 4.20 |
| PANAMAX (usd/day, usd/tonne) | | | | |
| Transatlantic RV | 6 350 | 7 900 | 1 400 | 8 500 |
| TCT Cont / F. East | 10 250 | 11 400 | 5 000 | 11 500 |
| TCT F. East / Cont | 1 100 | 1 200 | 250.0 | 1 200 |
| TCT F. East RV | 6 100 | 6 900 | 1 925 | 6 900 |
| Murmansk b.13-ARA 15/25,000 sc | 5.70 | 6.10 | 3.60 | 6.10 |
| SUPRAMAX (usd/day) | | | | |
| Atlantic RV | 9 100 | 10 000 | 2 510 | 10 000 |
| Pacific RV | 6 300 | 6 600 | 2 000 | 6 600 |
| TCT Cont / F. East | 9 700 | 10 000 | 1 100 | 11 000 |
| 1 YEAR T/C (usd/day) | | | | |
| Capesize 180,000 dwt | 7 500 | 8 000 | 5 000 | 8 550 |
| Capesize 170,000 dwt | 6 500 | 6 950 | 4 500 | 7 800 |
| Panamax 75,000 dwt | 6 000 | 6 200 | 4 250 | 6 200 |
| Supramax 53,000 dwt | 6 100 | 6 200 | 4 900 | 6 500 |
| Baltic Dry Index (BDI): | 679 | 0 | n/a | n/a |

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



DRY BULK

Capesize

In the Pacific, rates has been dropping a lot due to over supply of ships, and on the C5 route there was only Rio Tinto amongst the 3 WC Australia major shippers in the Market. The C5 rate has been dropping from mid 4 USD last week to break 4 USD now. In the Atlantic, not much going on on C3 route. Talks for early Sept dates on c3 was somewhere high 8 against 9 USD. But nothing heard been done. South Africa, c17 rate dropped a lot as well, from high 6 USD last week to 6.3 USD last done. Short period has been bit active in last several days. There are some fixtures heard that over 9000 been down for about 5-8 months or so, but those ships are super eco type, much better than the standard BCI 180k dwt type.

Panamax

Atl showing clear signs of weakening. Although some fresh cgos into the market it was not enough to avoid rates to drop. Ecsa/Cont rates dropped abt 1 USD pmt this week from low 8 to low 7 for typical 70/10 stems. Grain from ECSA to Feast sliding down, paying in the high 7k+ 250 for Pmaxes while Kmaxes get like 8+300k. Some firmer fixtures from Black Sea to Feast at 11k and Baltic via Red Sea at healthy 8250 with option PMO at 12k reported. Nopac rounds paying mid 6 to 7k but seems to drop further. Aussie/China rounds hovering arnd low 6k. Little period reported probably because owners fixing shorter tct while waiting for firmer rates again. We believe Pmax get 6,4/6,500 for 4/7 months, while 1 year paying arnd ...

Supramax

Last week ending up with busier tones for Supramaxes now cooling down as with index being down to 684. Average daily earnings for Smaxes being USD7151. Biggest change seen in rates for US Gulf trip to Skaw-Passero, index down by 291 with USD9200. Owners preferring to stay in Atlantic and take on period business. Few owners willing to take direction to Far East in these days fertilizer business 30,000t range from Baltic to Fareast have seen around USD30 and from Murmansk for a trip to Brazil a USD8,500/daily. Vessels preferring employment in Black Sea rather than Atl, where Smaxes have been offered USD11,500/day for a prompt trip from the Black Sea to the Far East, also influence smaller Smax tonnage within Atl.

Activity level

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

LPG Rates

* Excl. waiting time, if any

| SPOT MARKET (usd/month)* | This week | Last week | Low 2016 | High 2016 |
|--------------------------|-----------|-----------|----------|-----------|
| VLGC / 84,000 | 410 000 | 425 000 | 405 000 | 1 765 000 |
| LGC / 60,000 | 400 000 | 425 000 | 400 000 | 1 500 000 |
| MGC / 38,000 | 590 000 | 600 000 | 590 000 | 1 075 000 |
| HDY / 22,000 | 590 000 | 600 000 | 590 000 | 920 000 |
| ETH / 10,000 | 460 000 | 460 000 | 460 000 | 530 000 |
| SR / 6,500 | 425 000 | 425 000 | 425 000 | 460 000 |
| COASTER Asia | 145 000 | 142 500 | 142 500 | 155 000 |
| COASTER Europe | 160 000 | 160 000 | 160 000 | 190 000 |

| LPG/FOB prices (usd/tonne) | Propane | Butane | ISO |
|----------------------------|---------|--------|-------|
| FOB North Sea / ANSI | 271.0 | 282.5 | |
| Saudi Arabia / CP | 295.0 | 310.0 | |
| MT Belvieu (US Gulf) | 235.1 | 274.1 | 301.4 |
| Sonatrach : Bethioua | 290.0 | 310.0 | |

LNG

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

GAS

Chartering

The VLGC spot market has continued its slow pace this week, with little activity to report. In the East, one fixture has been concluded at levels in the mid/low 20s, and one Indian cargo has been quoted attracting interest from 3-4 Owners. In the West, one trader came out with a very prompt cargo, but nothing has been fixed at time of writing... Otherwise, "Cancellations" seems to be the word of the week in the West. Having noted some seven FOB cargo cancellations in the US Gulf during July, the tally is increasing for August as well. Although at time of writing actual cancellations for August loading is less, it seems likely that the number will outnumber those of July. In line with the slow market activity, the Baltic VLGC index is continuing to move sideways in the low/mid USD 20's pmt, which represents a time charter equivalent (T/C/E) rate between USD 13,000 and 14,000 per day.



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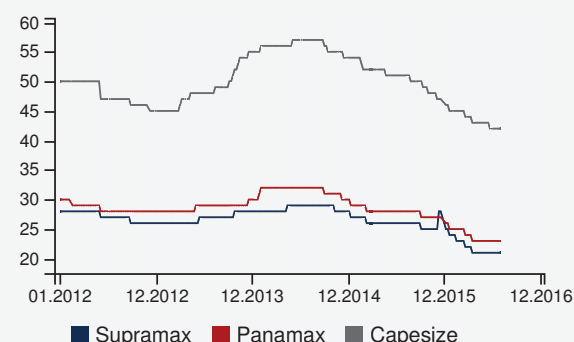
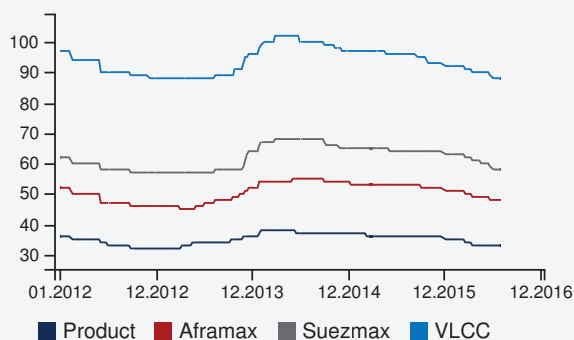
Activity level

| 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 | 88.00 | 88.00 | 88.00 | 92.00 |
| Suezmax | 150'dwt | 58.00 | 58.00 | 58.00 | 63.00 |
| Aframax | 110'dwt | 48.00 | 48.00 | 48.00 | 51.00 |
| Product | 50'dwt | 33.00 | 33.00 | 33.00 | 35.00 |
| Capesize | 180'dwt | 42.00 | 42.00 | 42.00 | 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 | 170'cbm - MEGI | 193.0 | 193.0 | 193.0 | 203.0 |



Market brief

| | This week | Last week | Low 2016 | High 2016 |
|-------------------------|-----------|-----------|----------|-----------|
| Rate of exchange | | | | |
| USD/JPY | 105.7 | 106.5 | 100.7 | 118.6 |
| USD/KRW | 1 133 | 1 141 | 1 133 | 1 234 |
| USD/NOK | 8.60 | 8.50 | 8.08 | 8.96 |
| EUR/USD | 1.10 | 1.10 | 1.07 | 1.15 |

Interest rate

| | | | | |
|-------------------|------|------|------|------|
| LIBOR USD 6 mnths | 1.07 | 1.00 | 0.85 | 1.07 |
| NIBOR NOK 6 mnths | 1.17 | 1.18 | 1.05 | 1.23 |

Commodity prices

| | | | | |
|------------------|-------|-------|-------|-------|
| Brent spot (USD) | 44.70 | 46.82 | 28.06 | 52.40 |
|------------------|-------|-------|-------|-------|

Bunker prices

| | | | | | |
|-----------|----------|-------|-------|-------|-------|
| Singapore | 380 CST | 225.0 | 238.0 | 145.0 | 255.0 |
| | 180 CST | 237.0 | 245.0 | 148.0 | 258.0 |
| | Gasoil | 394.0 | 409.0 | 265.0 | 460.0 |
| Rotterdam | 380 HSFO | 219.0 | 230.0 | 107.0 | 236.0 |
| | 180 CST | 234.0 | 259.0 | | 263.0 |
| | Diesel | 367.0 | 389.0 | 245.0 | 452.0 |

NEWBUILDING

A quiet week clearly influenced by an expected seasonal slowdown. No orders to report in either Korea or China. NYK placed an order for 5X 14,000 TEU container carriers at compatriot shipyard JMU. Prices are still sliding, however, at a slower pace than previous months. We see some resistance at current price levels potentially leading us in a sideways price curve development.

NEWBUILDING CONTRACTS

| Type | No | Size | Yard | Buyer | Del | Price | Comm |
|------|----|-------|------|-------|-----------|-------|------|
| CONT | 5 | 14000 | JMU | NYK | 2018-2019 | | |

SALE AND PURCHASE TRANSACTIONS

| Type | Vessel | Size | Built | Buyer | Price | Comm. |
|------|------------------|-------------|-----------|-----------------|----------------|-------------------------|
| MT | Genmar Vision | 312 679 | 2001 | Winson Shipping | 28,00 | |
| MT | Nave Dorado | 47 999 | 2005 | Great Eastern | 14,00 | |
| MT | 21 x Jo Tankers | 19508-37620 | 1993-2018 | Stolt-Nielsen | en-bloc 575,00 | Incl. 50/50 JV in 8 NBs |
| MT | Sichem Edinburgh | 13 153 | 2007 | | 11,50 | |
| MT | St Dragon | 11 559 | 1994 | | 4,10 | |
| BC | Zosco Jiaying | 175 886 | 2009 | Sinokor | 14,90 | |
| BC | Zosco Shaoxing | 175 879 | 2009 | | 14,90 | |
| BC | BSI Trafalger | 82 039 | 2016 | Blue Planet | 19,50 | |
| BC | GMI Francesca | 82 000 | 2016 | | 19,50 | |
| BC | GMI Tarita | 82 000 | 2016 | | 19,50 | |
| BC | SIB Twist | 81 800 | 2016 | | 19,50 | |
| BC | Matilde Corrado | 72 863 | 2002 | Greek | 4,90 | |
| BC | Townsville Maru | 58 084 | 2013 | Undisclosed | 14,40 | |
| BC | Peace | 55 000 | 2011 | Undisclosed | 5,60 | |
| BC | Blue Sapphire | 48 907 | 2001 | Undisclosed | 3,20 | |
| BC | Vipava | 46 570 | 1998 | Chinese | 2,60 | Prompt delivery Nantong |
| BC | New Mariner | 31 024 | 1999 | Greek | 3,00 | |
| BC | New Lairel | 31 024 | 1999 | Turkish | 2,80 | |
| BC | Pac Dubhe | 27 408 | 2006 | Singaporean | 4,00 | |

DEMOLITIONS

Sold for demolition

| Vessel name | Size | Ldt | Built | Buyer | Price |
|-----------------------|---------|--------|-------|-------------|-------|
| M/V Badri Prasad | 151 418 | 17 618 | 1990 | Pakistani | 270 |
| M/V Ever blossom | 72 517 | 10 105 | 1997 | Bangladeshi | 278 |
| M/V Despina | 65 644 | 11 611 | 1993 | Indian | 255 |
| CONT Hanjin San Diego | 63 520 | 18 976 | 1997 | Bangladeshi | 287 |
| M/V Fareast Sunny | 42 248 | 5 037 | 1989 | Bangladeshi | 260 |
| M/V Mevlana | 37 705 | 7 527 | 1984 | Indian | 255 |
| M/V Tivoli | 28 611 | 6 633 | 1997 | Indian | 160 |
| M/V Ocean Whisperer | 27 652 | 5 903 | 1986 | Bangladeshi | 255 |