

WEBER WEEKLY TANKER REPORT



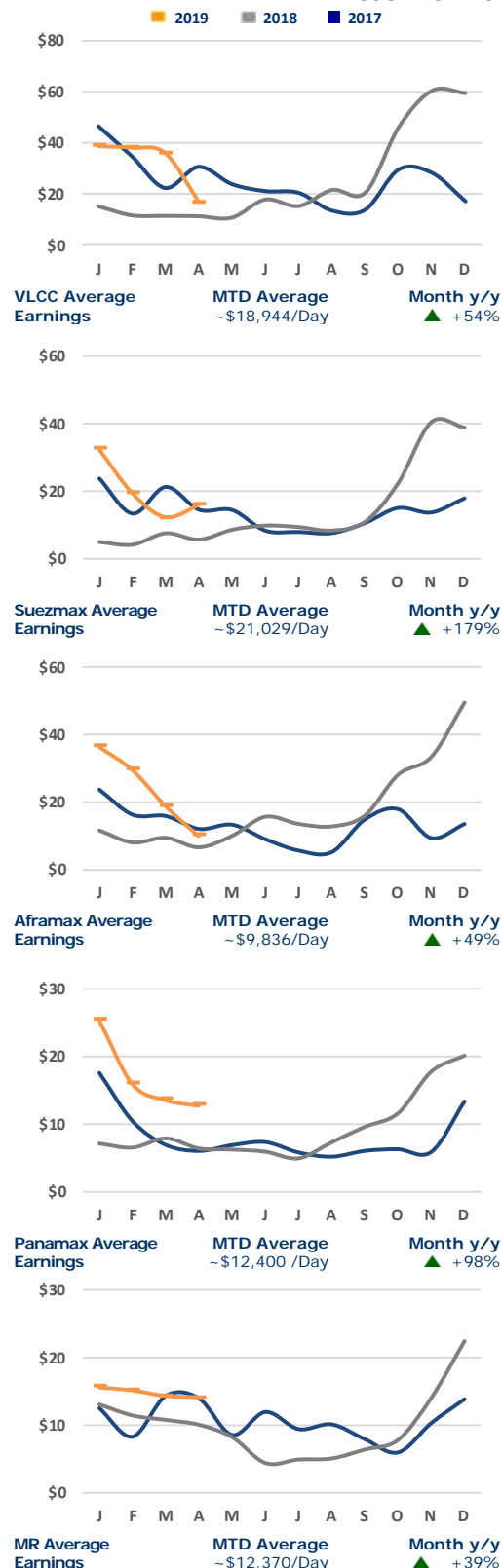
WEEK 16 – 18 April 2019

ISSUE 16 – 2019

| Spot Market | WS/S | TCE | WS/S | TCE |
|---------------------------------|---------|-----------------|---------|-----------------|
| VLCC (13.0 Kts L/B) | | 12-Apr | | 18-Apr |
| AG>USG 280k | 19.0 | -- | 19.3 | -- |
| AG>SPORE 270k | 37.8 | \$14,054 | 40.5 | \$17,298 |
| AG>JPN 265k | 36.4 | \$14,532 | 39.3 | \$18,127 |
| AG>CHINA 270k | 39.0 | \$13,599 | 42.1 | \$17,382 |
| WAFR>CHINA 260k | 41.6 | \$17,873 | 44.4 | \$17,873 |
| USG>SPORE 270k | \$3.54m | \$11,723 | \$3.70m | \$13,590 |
| AG>USG/USG>SPORE/AG | -- | \$20,879 | -- | \$22,704 |
| <i>VLCC Average Earnings</i> | | <i>\$15,700</i> | | <i>\$18,944</i> |
| SUEZMAX (13.0 Kts L/B) | | | | |
| WAFR>USG 130k | 65.0 | \$16,333 | 70.0 | \$19,276 |
| WAFR>UKC 130k | 70.5 | \$14,175 | 74.4 | \$16,370 |
| BSEA>MED 140k | 80.5 | \$14,579 | 92.5 | \$22,541 |
| CBS>USG 150k | 52.5 | \$9,273 | 55.8 | \$11,953 |
| USG>UKC 130k | 46.5 | -- | 47.5 | -- |
| CBS>USG/USG>UKC/WAFR | -- | \$20,681 | -- | \$21,734 |
| AG>USG 140k | 40.0 | -- | 36.3 | -- |
| USG>SPORE 130k | \$2.68m | -- | \$2.70m | -- |
| AG>USG/USG>SPORE/AG | -- | \$29,079 | -- | \$27,539 |
| <i>Suezmax Average Earnings</i> | | <i>\$17,152</i> | | <i>\$21,029</i> |
| AFRAMAX (13.0 Kts L/B) | | | | |
| N.SEA>UKC 80k | 81.0 | \$3,117 | 85.0 | \$6,035 |
| BALT>UKC 100k | 63.0 | \$8,761 | 67.5 | \$11,733 |
| CBS>USG 70k | 76.0 | \$2,663 | 77.5 | \$3,265 |
| USG>UKC 70k | 69.5 | -- | 71.9 | -- |
| CBS>USG/USG>UKC/NSEA | -- | \$12,935 | -- | \$14,124 |
| MED>MED 80k | 82.5 | \$7,383 | 82.5 | \$7,449 |
| AG>SPORE 70k | 100.0 | \$14,588 | 102.5 | \$15,540 |
| <i>Aframax Average Earnings</i> | | <i>\$8,312</i> | | <i>\$9,836</i> |
| PANAMAX (13.0 Kts L/B) | | | | |
| CBS>USG 50k | 125.0 | \$10,797 | 127.5 | \$11,442 |
| CONT>USG 55k | 109.0 | \$12,537 | 105.0 | \$11,421 |
| ECU>USWC 50k | 165.0 | \$21,526 | 165.0 | \$21,353 |
| <i>Panamax Average Earnings</i> | | <i>\$12,675</i> | | <i>\$12,400</i> |
| LR2 (13.0 Kts L/B) | | | | |
| AG>JPN 75k | 95.1 | \$14,226 | 93.5 | \$13,849 |
| AG>UKC 80k | \$1.89m | \$12,158 | \$1.89m | \$12,162 |
| MED>JPN 80k | \$1.91m | \$8,012 | \$1.85m | \$7,232 |
| AG>UKC/MED>JPN/AG | -- | \$16,921 | -- | \$16,375 |
| <i>LR2 Average Earnings</i> | | <i>\$15,123</i> | | <i>\$14,690</i> |
| LR1 (13.0 Kts L/B) | | | | |
| AG>JPN 55k | 95.2 | \$8,506 | 90.1 | \$7,421 |
| AG>UKC 65k | \$1.75m | \$13,057 | \$1.54m | \$9,155 |
| UKC>WAFR 60k | 115.8 | \$8,941 | 114.9 | \$8,798 |
| AG>UKC/UKC>WAFR/AG | -- | \$19,464 | -- | \$16,695 |
| <i>LR1 Average Earnings</i> | | <i>\$13,985</i> | | <i>\$12,058</i> |
| MR (13.0 Kts L/B) | | | | |
| UKC>USAC 37k | 154.5 | \$14,917 | 145.6 | \$13,154 |
| USG>UKC 38k | 88.0 | \$2,867 | 76.3 | \$569 |
| USG>UKC/UKC>USAC/USG | -- | \$14,902 | -- | \$12,066 |
| USG>CBS (Pozos Colorados) 38k | \$442k | \$11,194 | \$381k | \$7,118 |
| USG>CHILE (Coronel) 38k | \$1.24m | \$15,588 | \$1.17m | \$13,558 |
| CBS>USAC 38k | 120.5 | \$10,063 | 115.0 | \$8,962 |
| WCIND>JPN/ROK>SPORE/WCIND | -- | \$13,213 | -- | \$12,733 |
| <i>MR Average Earnings</i> | | <i>\$14,210</i> | | <i>\$12,370</i> |
| Handy (13.0 Kts L/B) | | | | |
| MED>EMED 30k | 181.1 | \$24,090 | 162.5 | \$18,950 |
| SPORE>JPN 30k | 146.0 | \$9,576 | 145.5 | \$9,587 |
| <i>Handy Average Earnings</i> | | <i>\$14,801</i> | | <i>\$12,958</i> |

Average Earnings weighted proportionally to regional activity share of each size class' worldwide market (including routes not necessarily shown above).

| Time Charter Market \$/day (theoretical) | 1 Year | 3 Years |
|---|----------|----------|
| VLCC | \$32,000 | \$35,000 |
| Suezmax | \$23,500 | \$26,000 |
| Aframax | \$20,000 | \$21,500 |
| Panamax | \$15,500 | \$17,000 |
| MR | \$13,500 | \$15,500 |
| Handy | \$12,750 | \$13,500 |



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SPOT MARKET SUMMARY

VLCC

Another active week in the VLCC sector as Charterers progressed into the May cargo program ahead of the Easter holidays that has many offices closed on Friday and Monday. The continued uptick of inquiry kept upward pressure on sentiment, despite fundamentals that remain bearish, resulting in a moderate gain in eastbound rates and pushing returns just above \$20,000 pd. In addition to the increased Arabian Gulf inquiry, the USG cargo program has proven busier for May following a downturn in April and is once again attracting ballasters from the east.

Eastbound rates saw modest gains this week, starting in the high ws30's and pushing into the low-mid ws40's for the most active route to China, reaching a high of ws43.5 on modern units. The older, distressed tonnage traded at a discount, but the delta was narrower as returns hover just above daily operating costs. The latest fixture at ws38 for a voyage to Thailand yields a tce of about \$14,000 pd. Westbound business continued at a slower pace with one fresh fixture to the USG at ws18 via the cape (a slight discount, the ship's being a new building) as the voyage remains preferred for Owners looking to position to the stronger Atlantic Basin market. Triangulation still shows the highest possible returns as AG to the USG followed by USG to Singapore (basis ws19 and \$4.15 mil) yields a tce of \$28,000 pdpr.

There were 23 fresh fixtures to report this week, bringing the April cargo tally to completion at 135 cargoes, while May got under way with 22 fixtures thus far. This leaves some 25 or so cargoes to go through the first decade, which compares to a position list with some 50 vessels available over that same period.

As we look ahead to next week, we expect more of the same with seemingly increased inquiry over another shortened week. The uptick in activity will keep upward pressure en vogue, despite the over-supply of tonnage. If the USG continues busier, expect to see more ballasters head for the Atlantic Basin, ultimately reducing the over-supply in the AG.

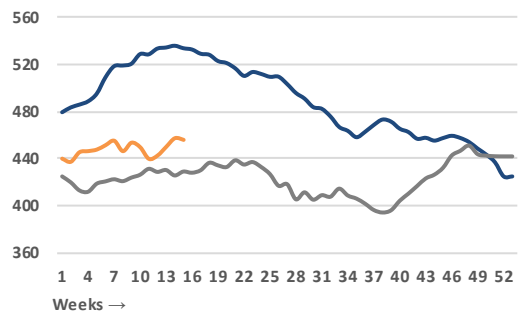
Suezmax

The West Africa Suezmax inquiry was relatively stagnant this week, resulting in downward pressure on rates. The WAFR-UKC route shed 7.5 points to conclude at ws70 going into the long holiday weekend. Corresponding TCE's dropped around 14% from the previous week, reaching \$14,500 / day for TD20. Rates in the Black Sea market were slightly weaker despite an increase in inquiry. At the same time, with softer owner's sentiment in WAFR and AG markets rates shed 2.5 points (TD6 TCE / \$21,200 pdpr). In the USG/CBS region, Suezmax demand remains limited, leaving rates grounded at around last week's levels. Rates for USG/TA were holding around ws47.5 basis 150k MT cargo size while USG/Spore continues to teeter around \$2.7-2.75m levels. BDTI - TD20 ended the week settling at 70.91 which is down (-5.23) from this time last week.

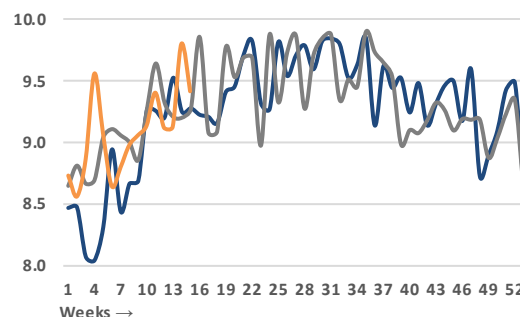
Aframax

This week saw more of the same for the Aframax market, for owners and charterers alike, as rates continued to hover in and around the ws77.5 mark this week. Owners continue to struggle fruitlessly to gain any traction, and find themselves inundated by an overly saturated tonnage list. Even with a small flurry of TA cargoes successfully soaking up a handful of units across the pond, the shortened week still failed to live up to expectations with excess spot tonnage continuing to anchor sentiment.

As we head into the long holiday weekend for many, it appears some owners will be unsuccessful in tucking away their units, leaving next week open to a renewed sense of vulnerability. In theory, rates could retreat back to, at least, the previously plumbed depths of ws75, although a shared sense of apathy may stand in the way of that in the short term.



US Crude Stocks (EIA) Last Week 455.2 MnBbls Week y/y ▲ +6.2%



US Gasoline Demand (EIA) Last Week 9.420 MnB/d Week y/y ▲ +1.6%

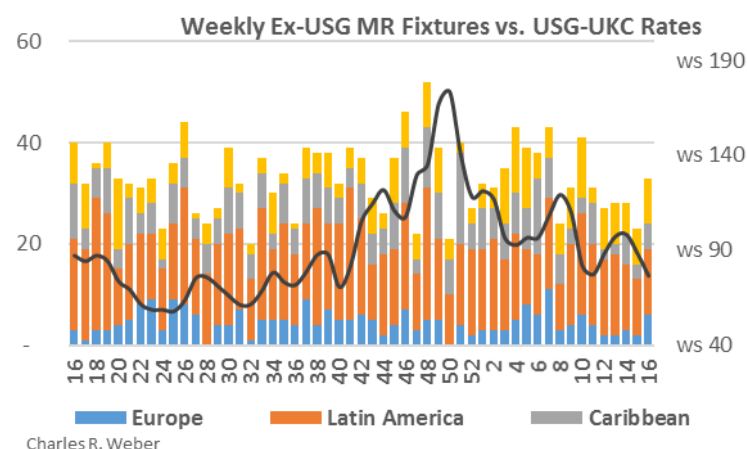
■ 2019 ■ 2018 ■ 2017

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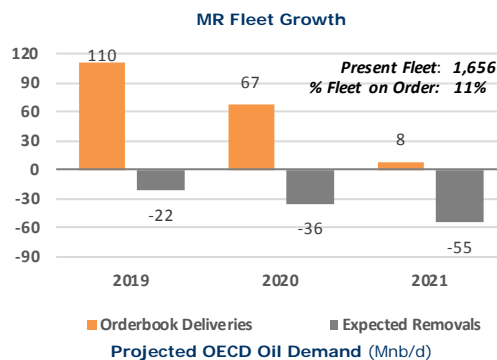
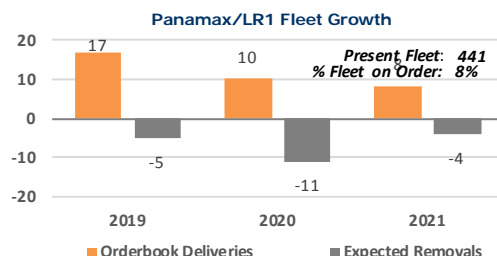
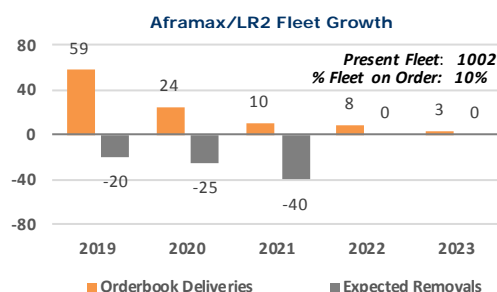
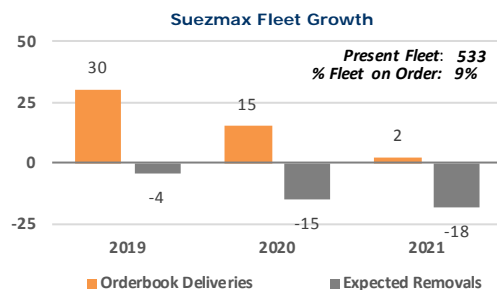
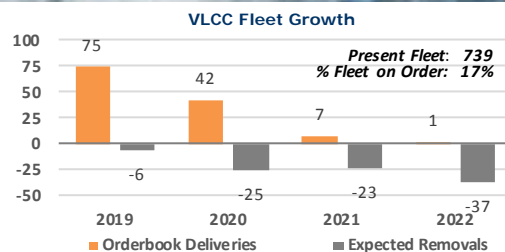
MR

Increased activity in the beginning of the week kept CONT levels steady for tc2 and wafr destinations, until pre-Easter jitters set in, resulting in a decline. Present levels for TC2 now stand at 137.5, but are carrying downside risk as tonnage will almost certainly continue to build over next few days. Med tonnage is also ample but rates are still moving sideways. USG rates both started and ended the week in rather lackluster fashion. An excess of prompt tonnage remains, but most would agree levels have reached a floor but there's also not much to indicate change on the nearby horizon. Tce's are equally weak for both long and short hauls and we can anticipate more of the same for next week's opening.



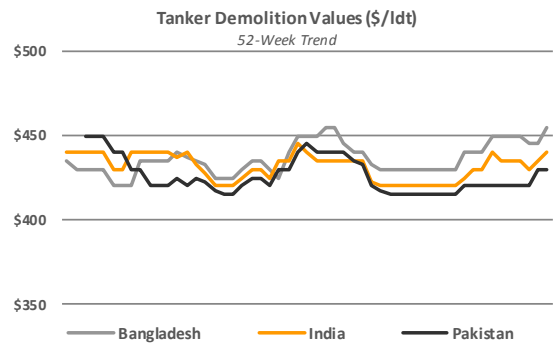
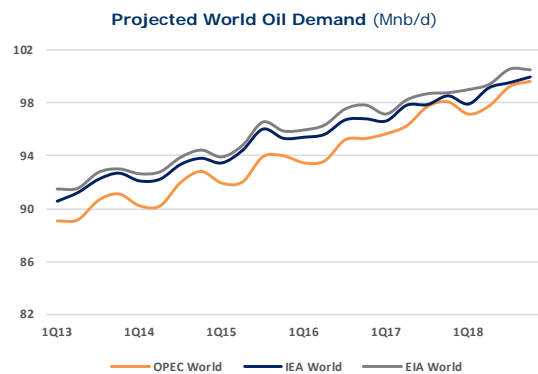
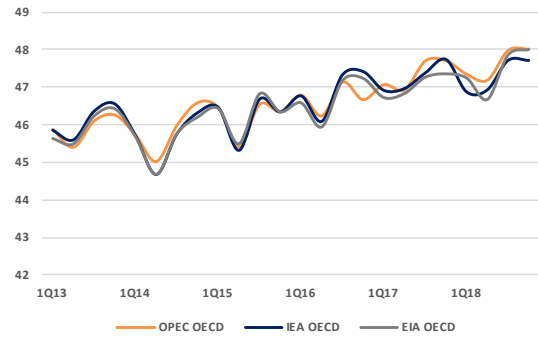
REPORTED TANKER SALES

| Ship Name | Capacity (DWT) | Age | Buyer | Price (\$) | Seller | Notes |
|---------------|----------------|-----|-------------------|------------|-----------------|-------------------|
| Nerissa | 299,235 | 06 | Nantong COSCO KHI | \$29.00 | IN-Mercator Ltd | GR-NGM Energy |
| Umgeni | 16,500 | 11 | Taizhou Sanfu | PNR | Grindrod | Undisclosed |
| Maran Capella | 159,700 | 98 | Daewoo | \$11.50 | Maran Tankers | Unknown - Storage |



Projected OECD Oil Demand (Mnb/d)

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