

Chartering and Documentary Committee

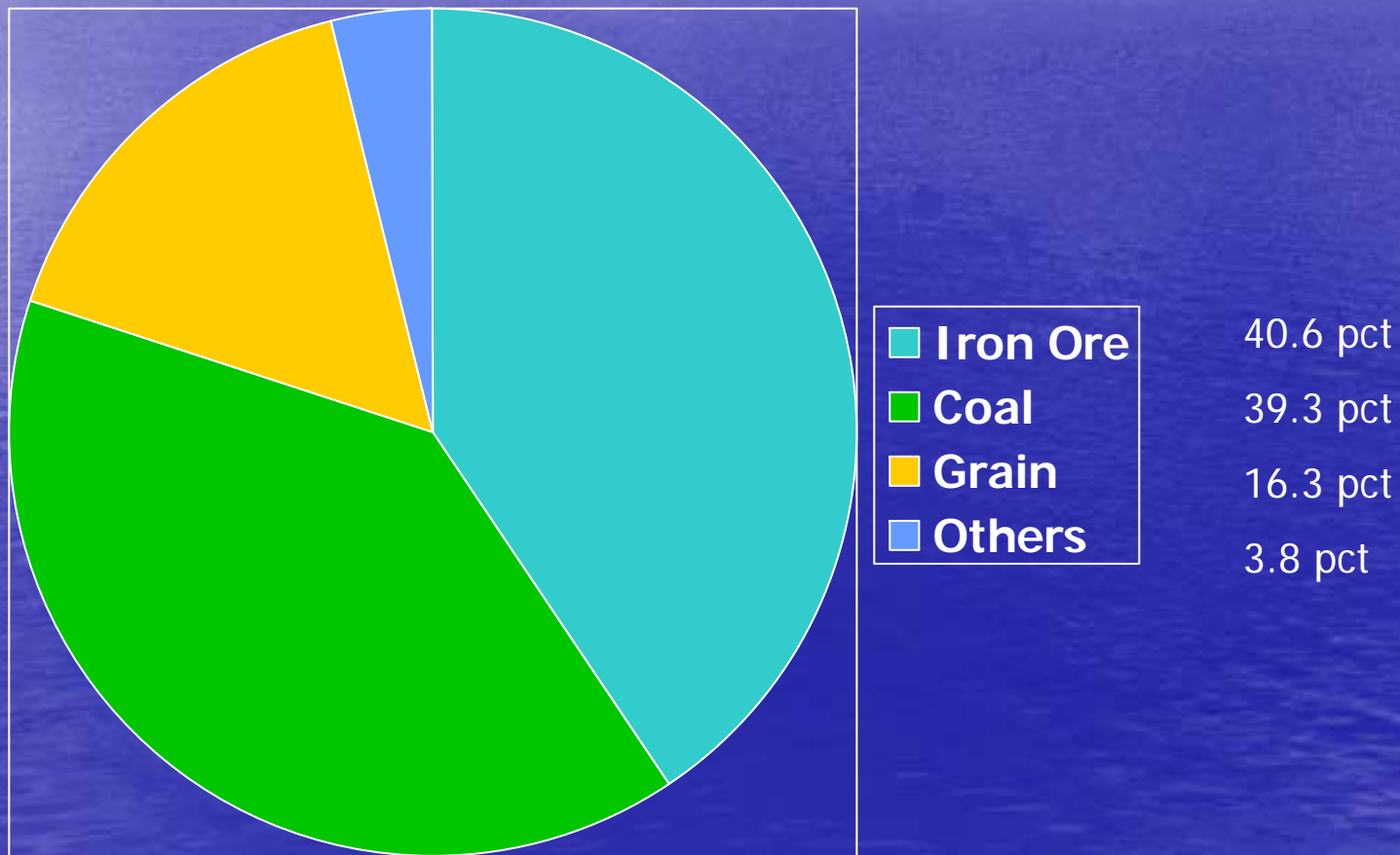
Dry Cargo Market Review

- Fonasba AGM Cape Town, South Africa
- October 8, 2009

SUPPLY AND DEMAND

Key indicators for international trading are production and consumption figures for oil, coal and steel. These commodities determine, to a large extent, the demand for shipping services... www.isl.org

Global Ocean Trade



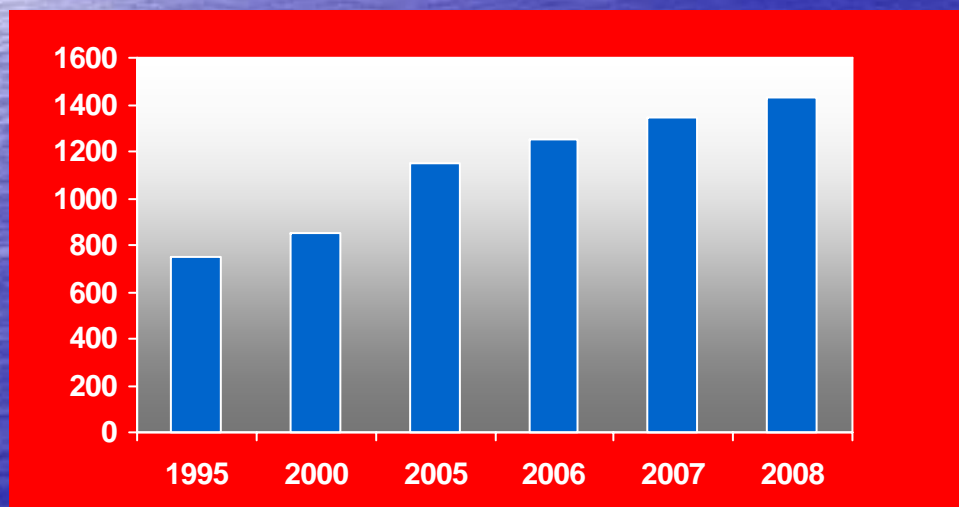
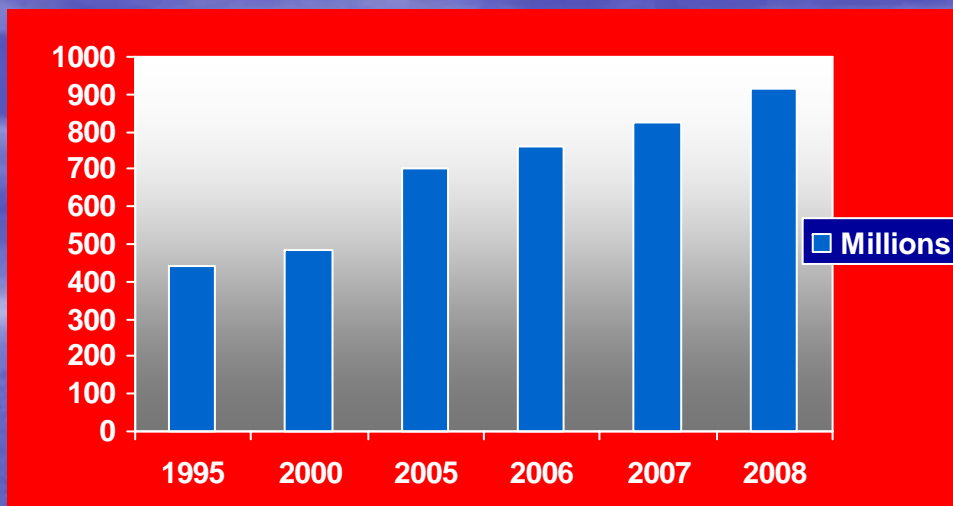
Iron Ore Imports

2000 : 485 MMT

2007 : 826 MMT

2008 : 890 MMT

2009 : 920



Steel Production

2000: 850 MMT

2007: 1.35 MMT

2008 : 1.326 MMT

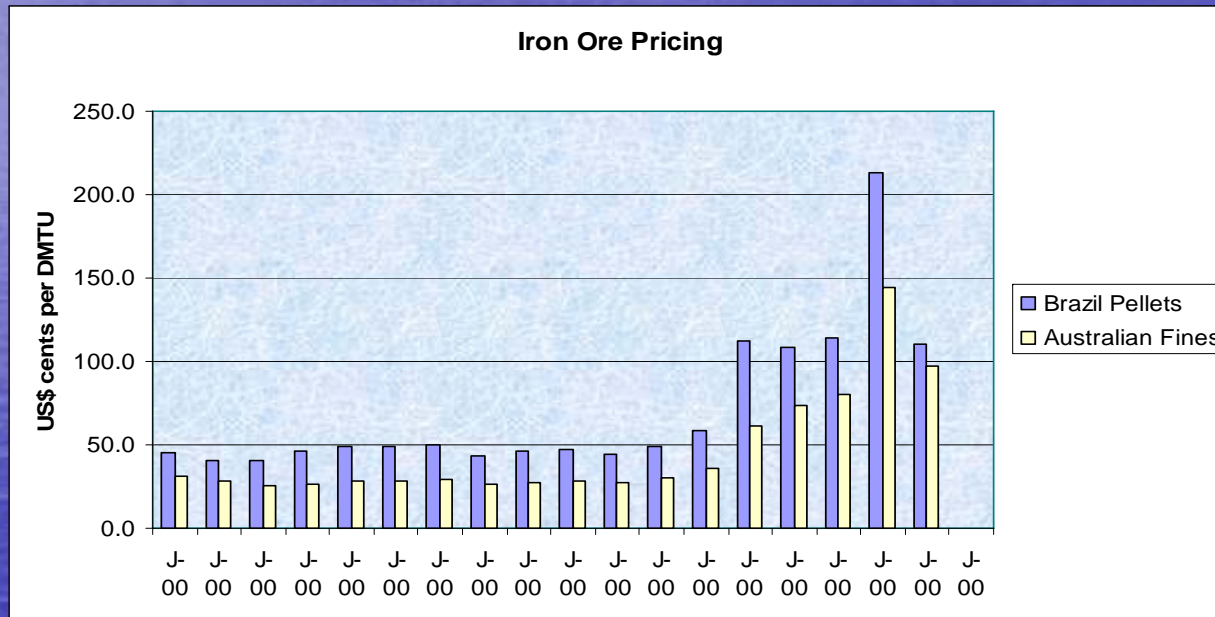
2009 : 1.059

Steel Production & Iron ore Imports (Million Metric Tons)

- Seaborne Iron ore Steel Production
-
- 1995 440 MMT 752 MMT
- 2000 490 +11% 850
- 2005 720 +46% 1.146
- 2008 882 +24.1 1,325
- 2009* 920 + 3% 1.118

estimated figure being revised upwards each month!

Iron Ore Prices 1992-2009

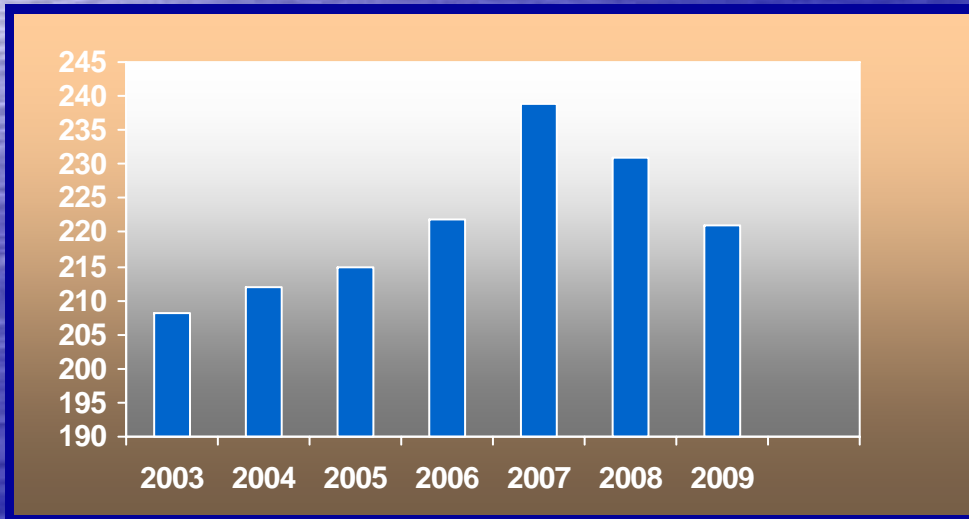
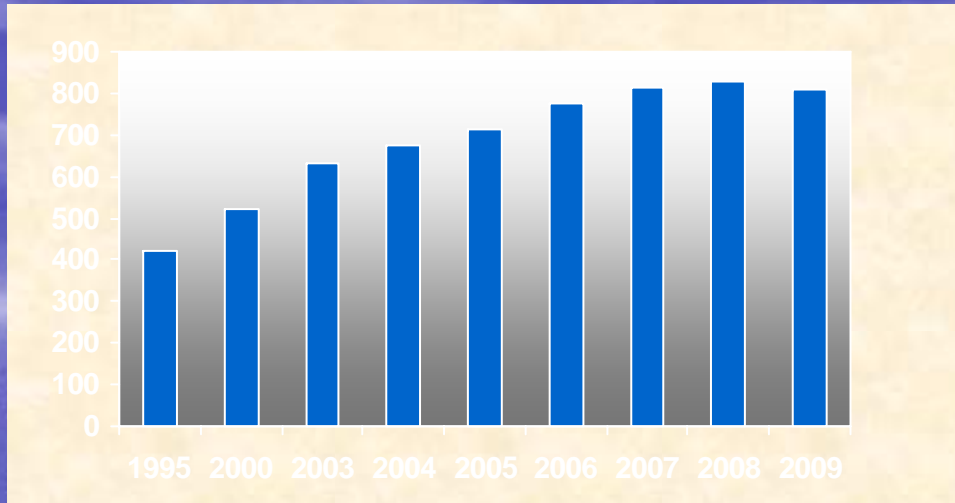


Seaborne Coal

2000 - 2009

525 807

Million Metric Tons



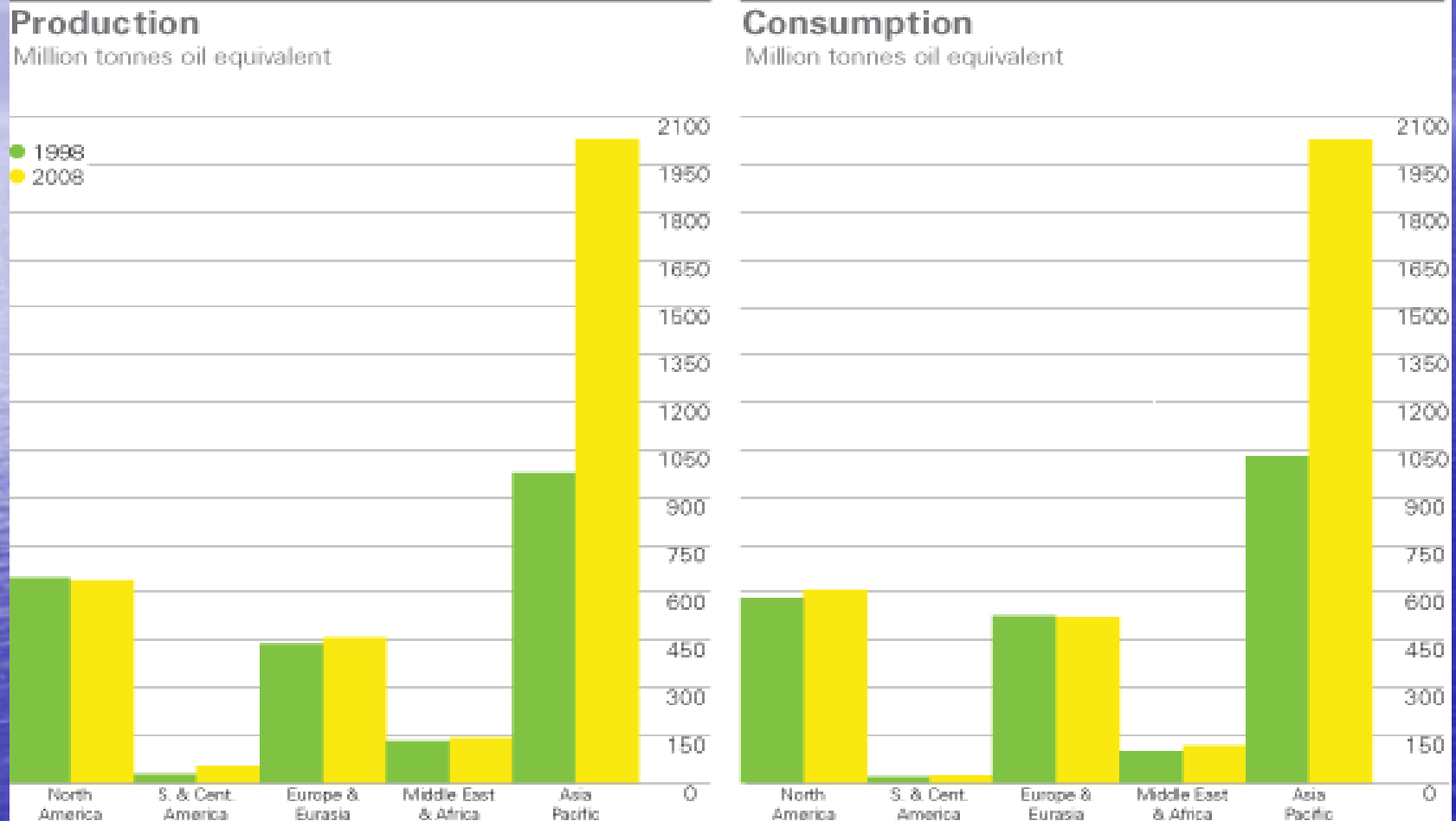
Grain Exports

2003 - 2009

209 - 221

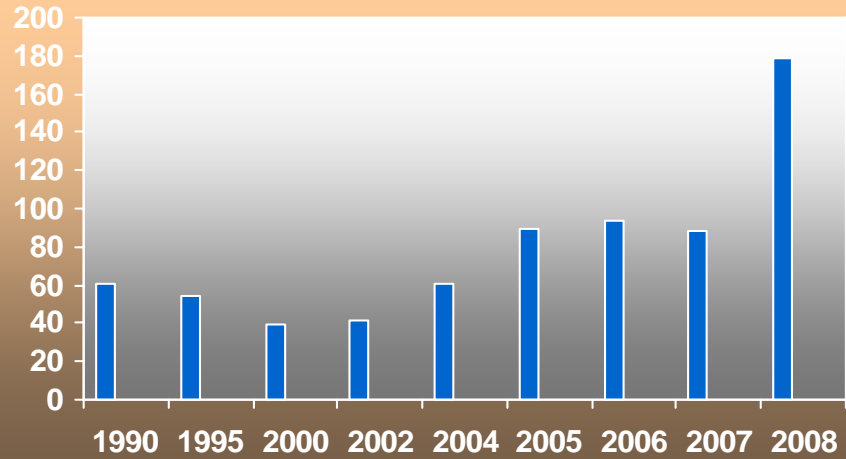
Million Metric Tons

Coal 1998-2008



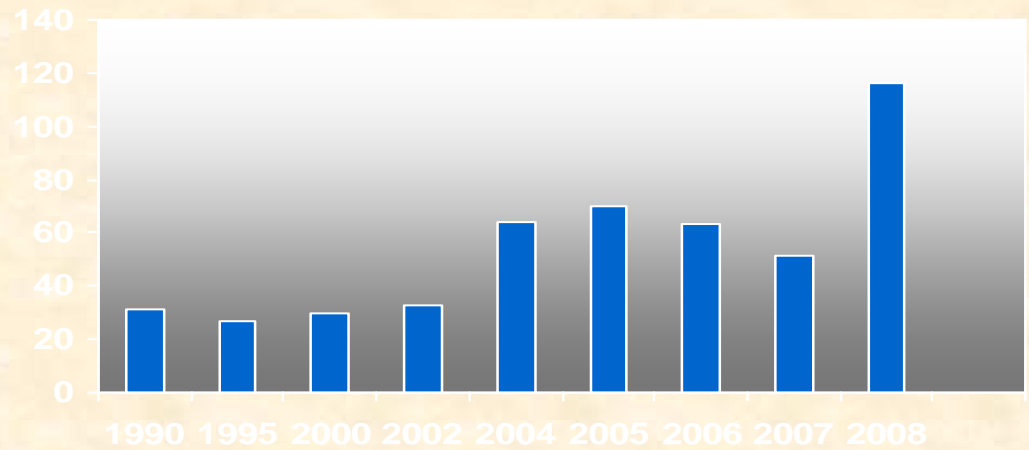
World coal consumption grew by 3.1% in 2008, the first below-average increase since 2002. Coal nonetheless remained the fastest-growing primary energy source for the sixth consecutive year. China accounted for more than 85% of global growth even though Chinese consumption growth was below average.

Coal Prices

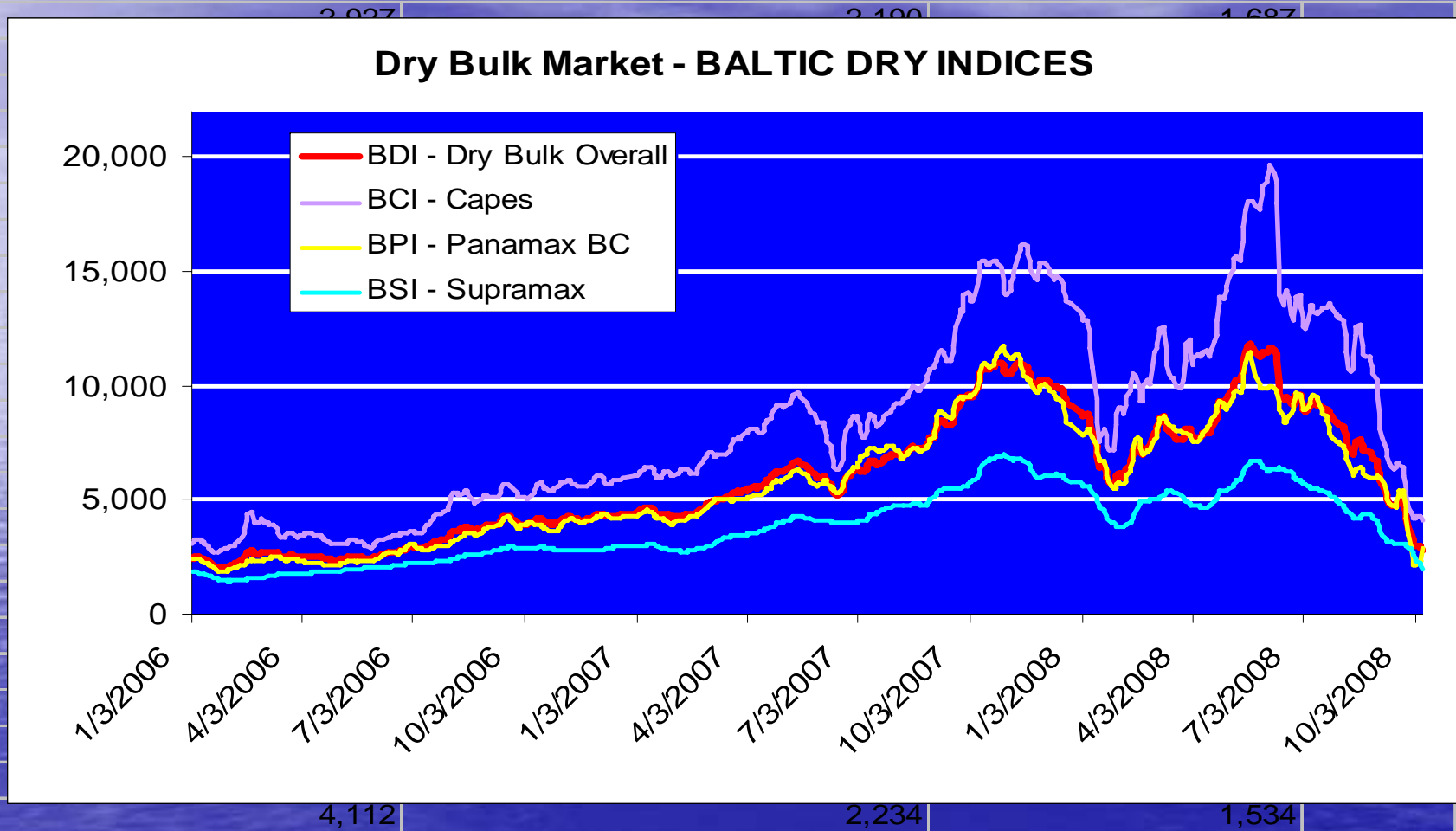


Japanese Coking Coal CIF

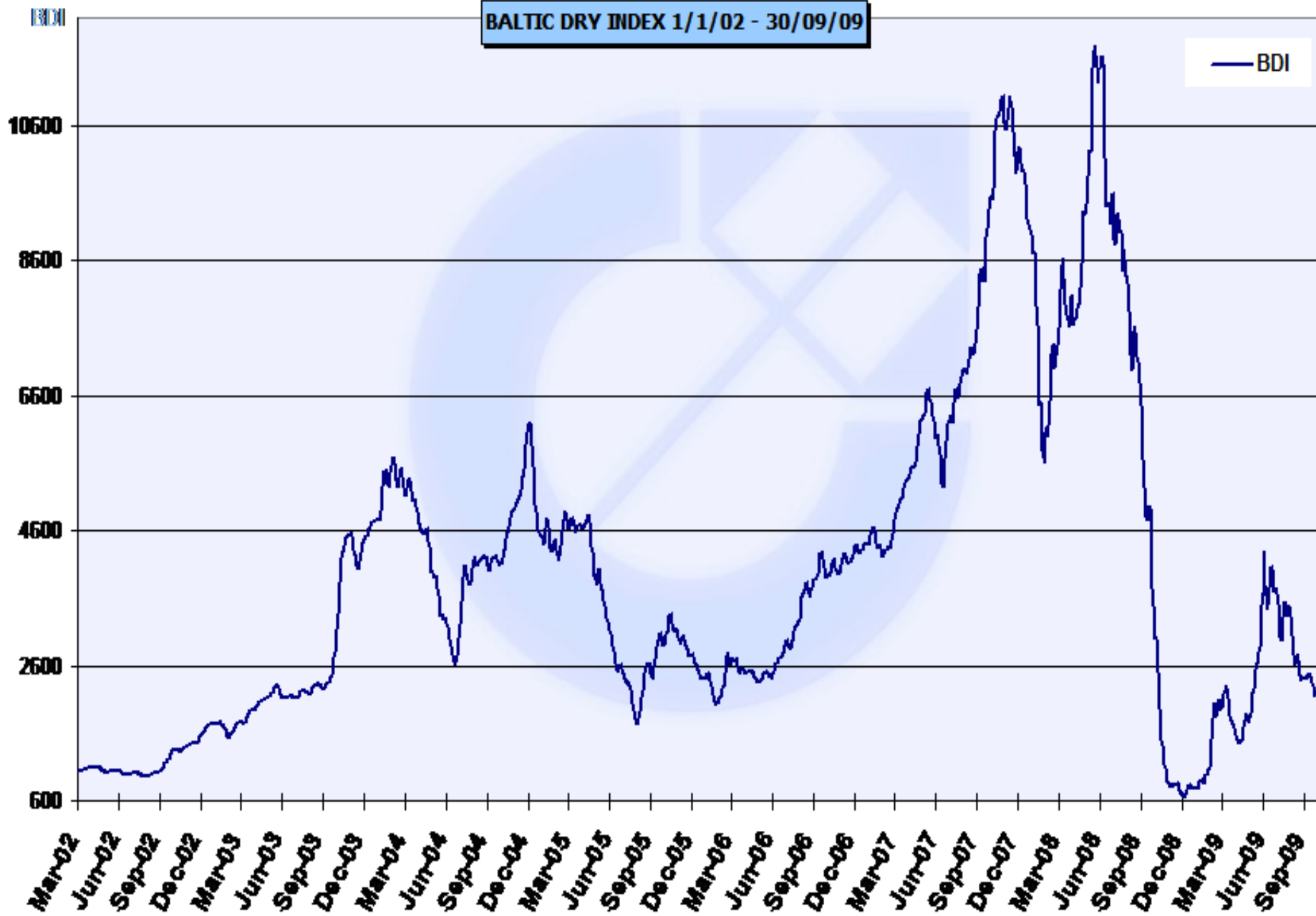
U.S. EC Spot coal



The Indices



BALTIC DRY INDEX 1/1/02 - 30/09/09



TIMECHARTER RATES Highs and Lows 2009

170,000 DWT USD/Day 21,500 45,000

150,000 DWT ■ 18,000 36,000

- 70,000 DWT 11,000 24,000

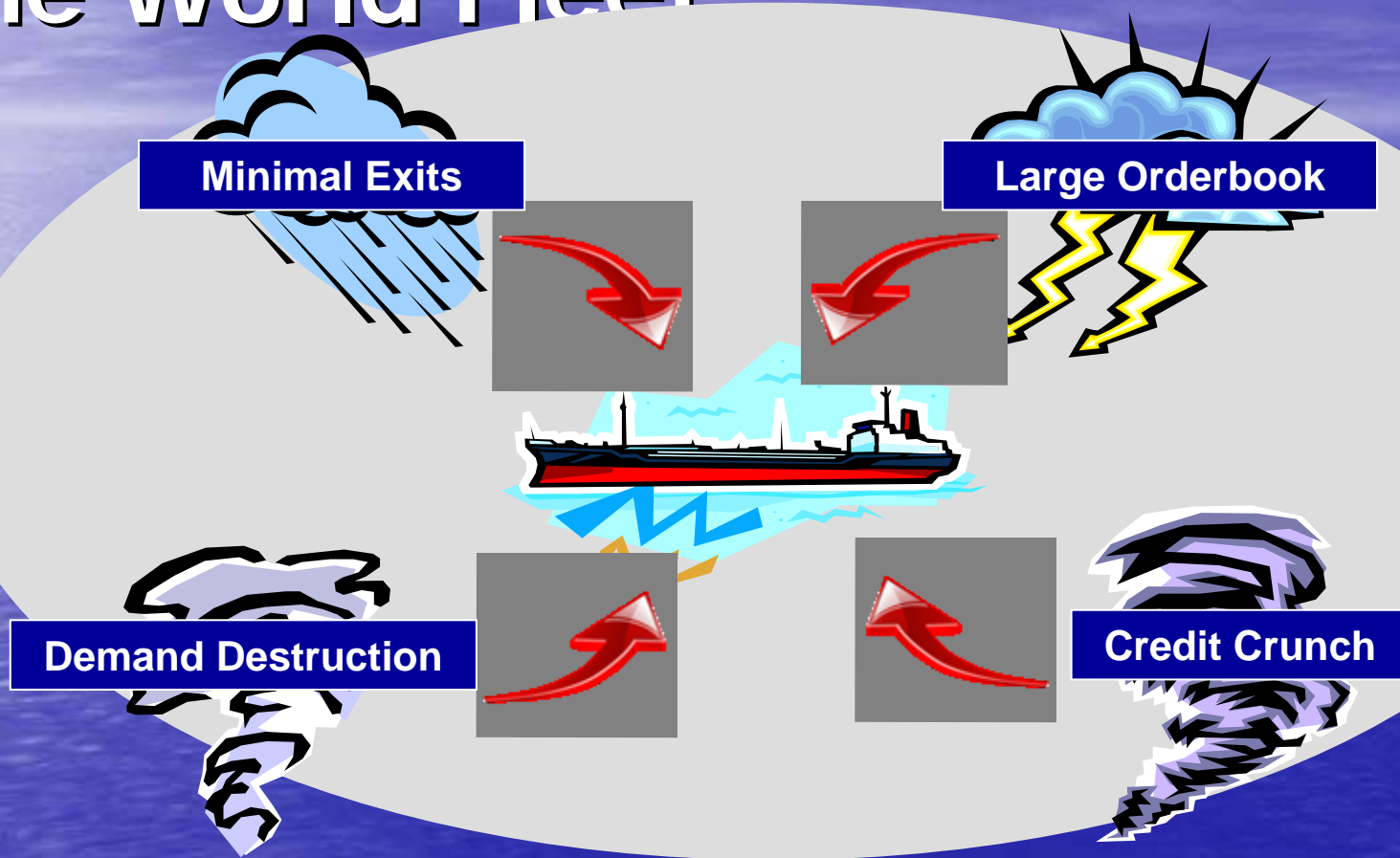
- 53,000 DWT 10,000 18,000

- Source: Tradewinds

Indicative Voyage Freight Rates

		Jan 09	July 09
• USG/China Soy	US\$	30.00	– 62.00
• USWC/JPN	US\$	12.00	– 35.00
• Tubarao/Rotterdam	■ US\$	5.00	– 28.00
• Tubarao /China	US\$	10.00	- 49.00
• Richards Bay /Rotterdam	US\$	7.00	- 21.00
P.Hedland – China ore	US\$	5.00	- 21.00

Turbulent Times for the World Fleet



Sustaining Today and Positioning for Tomorrow

The Good, The Bad

Deliveries of new bulkers totalled about 25 Million dwt in 2008 and an additional 9 Million dwt was added via converted tankers.

Only 76 bulkers being 3.3 Million dwt was scrapped

Demand is down however due to the newbuildings entering the market overall fleet growth is about 6%



Deliveries in 2009 /2010 are exceptionally high with the orderbook at 66 percent of the existing fleet. 68 Capes (13M DWT) and 19 converted tankers of 4.3 Million dwt thus far in 2009

Orderbook back in December 2008 called for 160 Capes for 2009.

Cancellations are already at 10 percent of the orderbook.

Demolition sales continued strong in 2009 with an additional 139 bulk carriers of 6.35M dwt sold during first half of 2009

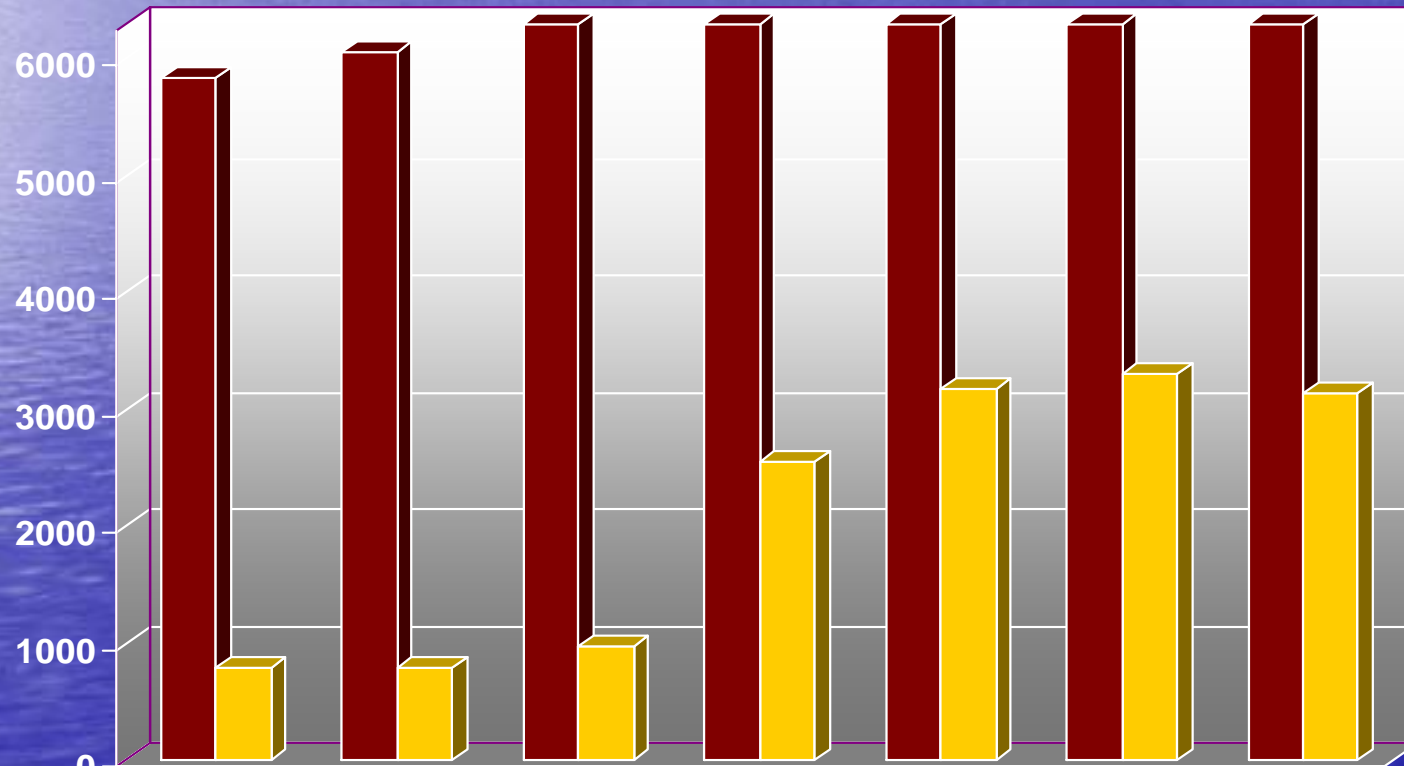
The UGLY

Only 26 percent of the existing fleet is over 20 years, out of Which 14 percent is over 25 years. Almost 29 percent is 2004 built and later.

Breakdown of the order book

	Handies 10-40	Supers 40-60	Pmx/Baby Capes 60-90	Capes	VLOO 100-220	220 plus
2009	259	249	95		125	12
2010	277	332	271		289	15
2011	280	319	316		256	64

Current Fleet vs Orderbook



	2005	Jan-06	Jan-07	Jan-08	Aug-08	Jan-09	Sep-09
■ Bulkers	5830	6055	6300	6596	6867	6960	7088
■ Bulkers on order	787	802	986	2557	3176	3304	3146

Why China?

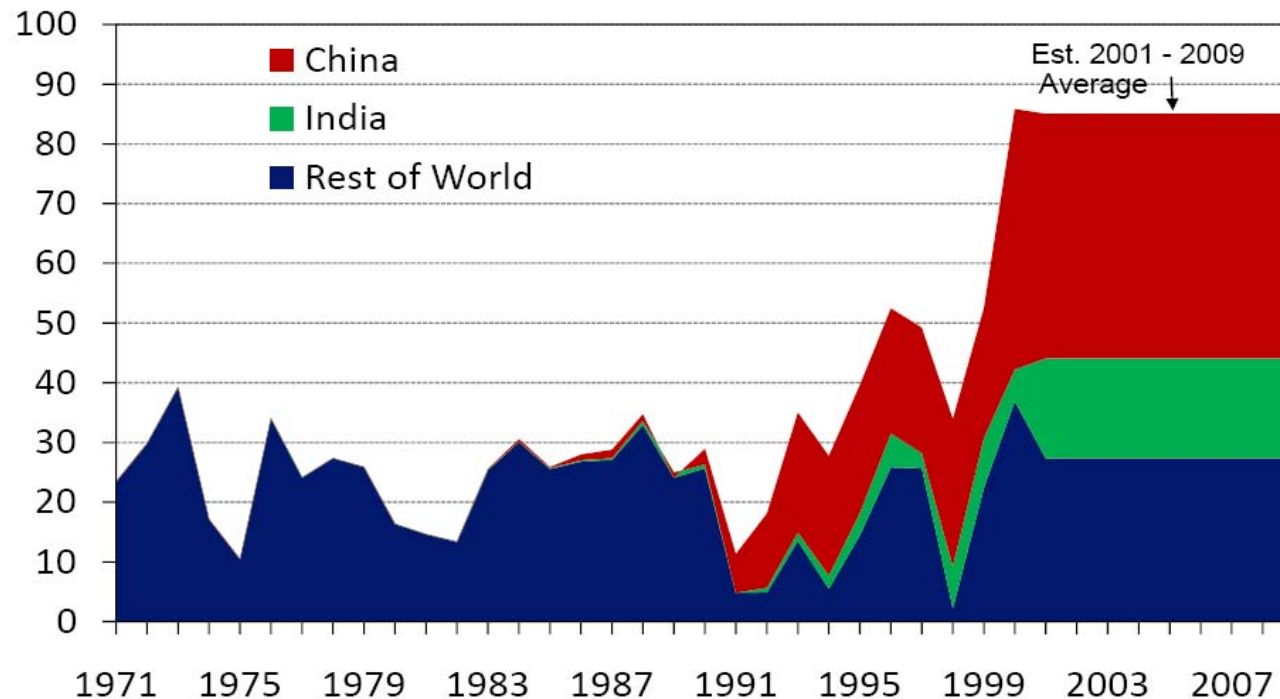
China's Middle Class Has Surged Since 1990



Annual Growth in Middle Class+ Population

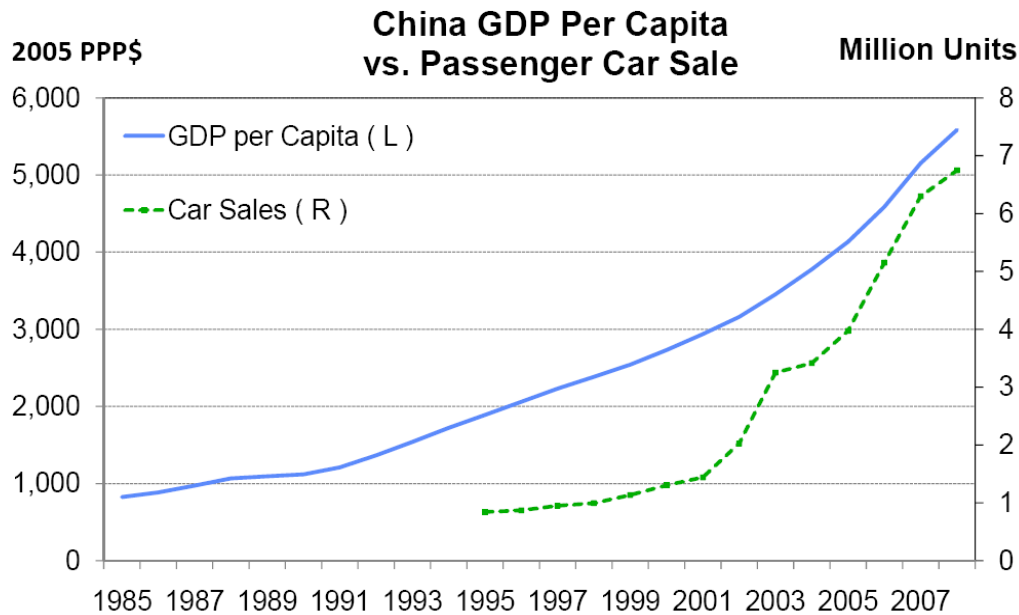
(>\$6,000 GDP per Capita)

Millions

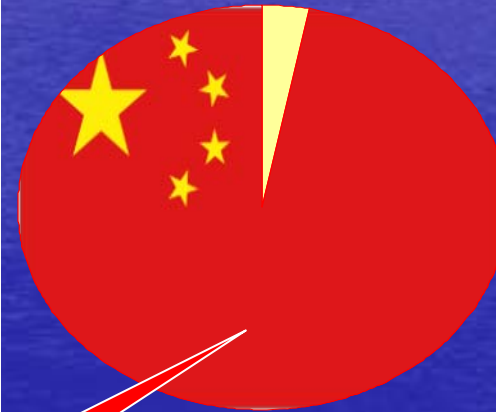


China's Automobile Sales Expected To Soar...

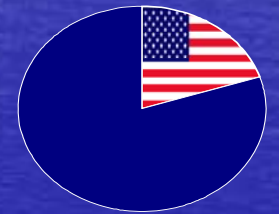
China Car Sales Have Soared



Chinese car ownership will increase five-fold in the next 10 years



Population of China
1.3 Billion
3% car owners



Population of US
308 Million
80% car owners

Untapped Chinese Consumers

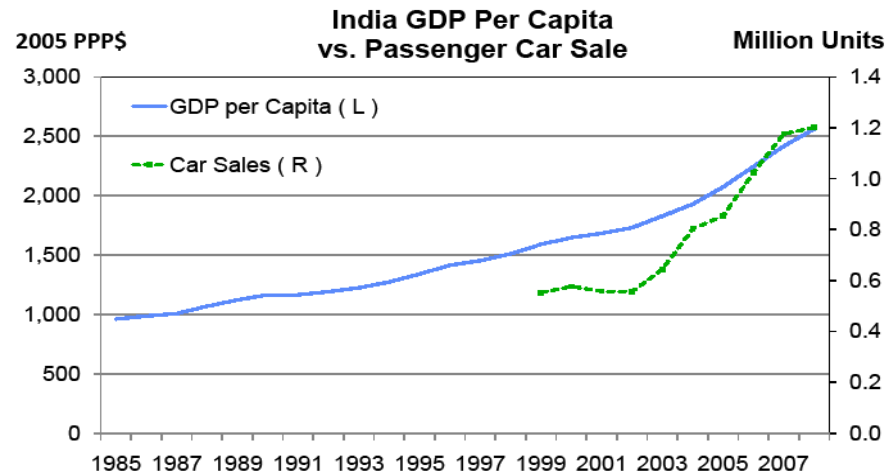
India is not far behind

2009 --- Cost to buy a
Tata Nano?

\$2500 USD



India Car Sales Have Doubled Since 2002



Fastest Growing /Declining ports Total Cargo Traffic 2006 - 2007

- Growing

- Angra dos Reis, Brazil + 50%
- Prince Rupert, Canada + 37
- Beaumont, Texas USA + 36
- J. Nehru, India + 24.5
- Qinhaungdao, China + 21.5
- Rijeka up 21.4
- Tianjin, China + 20.1
- Gdynia, Poland + 19.9
- Tuticorin, India + 19.3
- Penang, Malaysia +18.9

- Declining

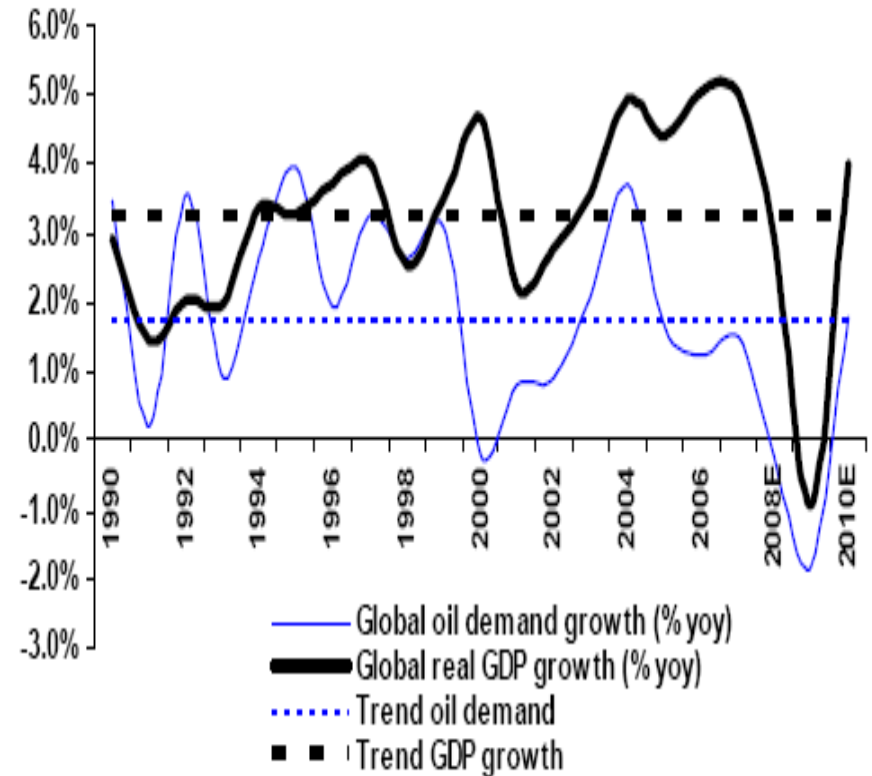
- Shimizu, Japan - 5.9
- Hamilton, Canada - 6.6
- Tees/Hartlepool UK - 6.7
- Hay Point, Australia - 6.7
- Seven Islands, Canada - 8.9
- Bourges, Bulgaria - 9.1
- Halifax, Nova Scotia - 10.5
- Keelung, Taiwan - 11.4
- Gdansk, Poland - 11.5
- Tallin, Estonia - 12.3

Global GDP Growth Returns in 2010

	Real GDP, % yoy		
	2008	2009E	2010E
United States	0.4%	-2.6%	2.0%
Europe	0.9%	-3.6%	1.4%
Japan	-0.7%	-5.7%	1.4%
Advanced Economies	0.6%	-3.2%	1.9%
China	9.0%	9.4%	11.9%
BRICs	7.5%	5.1%	8.9%
Emerging Markets	6.2%	2.8%	7.3%
World	2.8%	-0.9%	7.3%

Source: Goldman Sachs Global ECS Research.

Global GDP growth vs. Global oil demand growth



Source: IEA, Goldman Sachs Global ECS Research, Goldman Sachs Research estimates.