

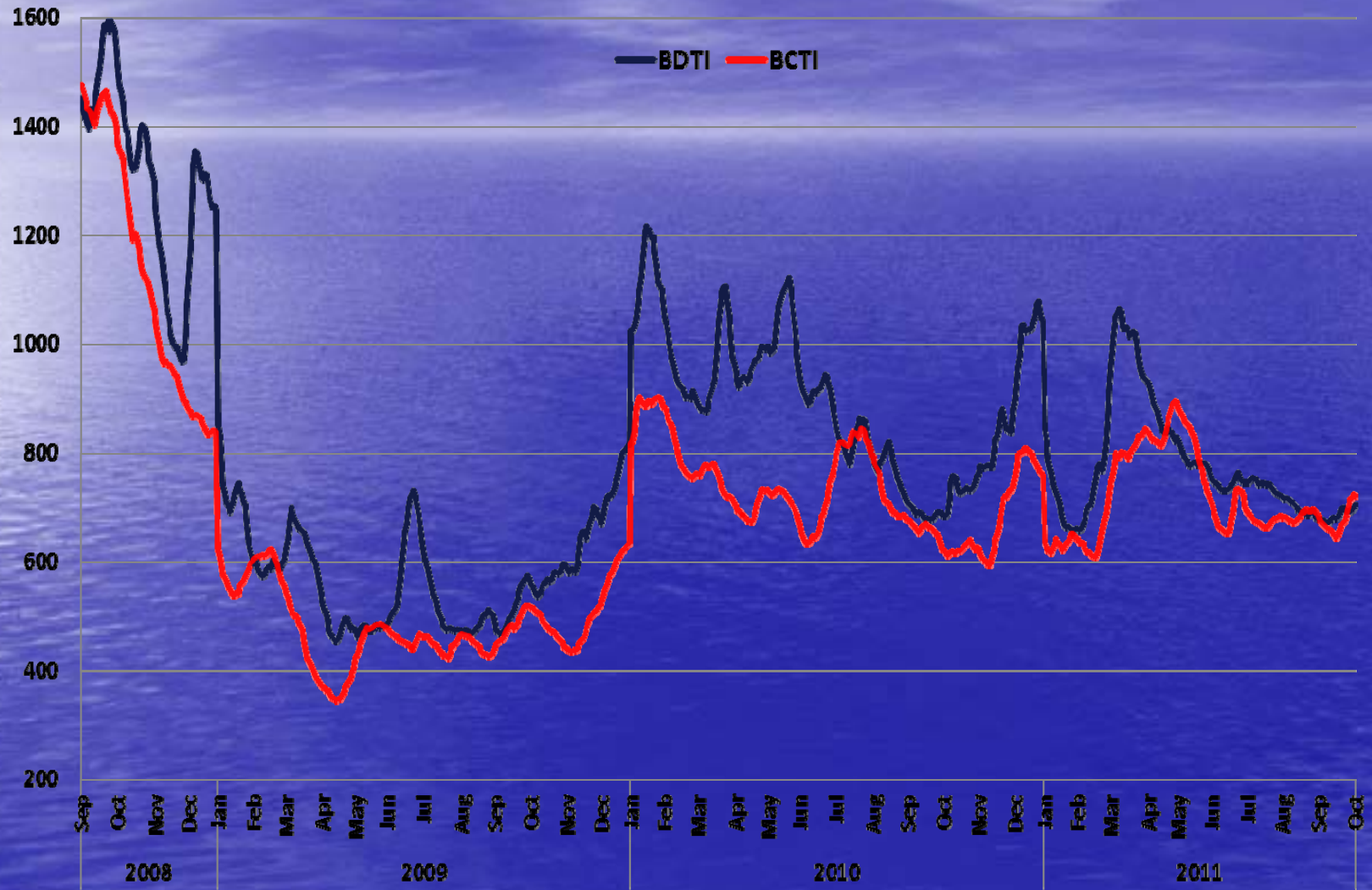


Sydney

Tanker Chartering Report

12th October 2011

Baltic Daily Index - Dirty vs Clean



Bunker Price - Rotterdam 380cst

US\$/tonne

700

Source : Gibson Shlpbrokers

650

600

550

500

450

400

Sep

Oct

Nov

Dec

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

Sep

Oct

2010

2011



Tanker Chartering Report

Worldscale Bunker Prices

2011	\$467.48
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2012	\$606.56
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Tanker Chartering Report

Tanker Fleet:

Current	5,534 vessels	468.6m dwt
On order	711	87.1m dwt

Approx. 5% of world fleet Single Hulls

223 >25,000 dwt

Indonesia : 31. China : 21. Brazil : 13.

Tanker Chartering Report

World Oil Production
million barrels per day

ILEA figures

2008	83.9
2009	82.8
2010	84.6
2011	86.5

Tanker Chartering Report

- Consumption

World GDP growth %age year on year

2008 2.9

2009 - 0.5

2010 5.0

2011 4.4

2009 = first decline since 1974

China + 9.6% India + 8.2%

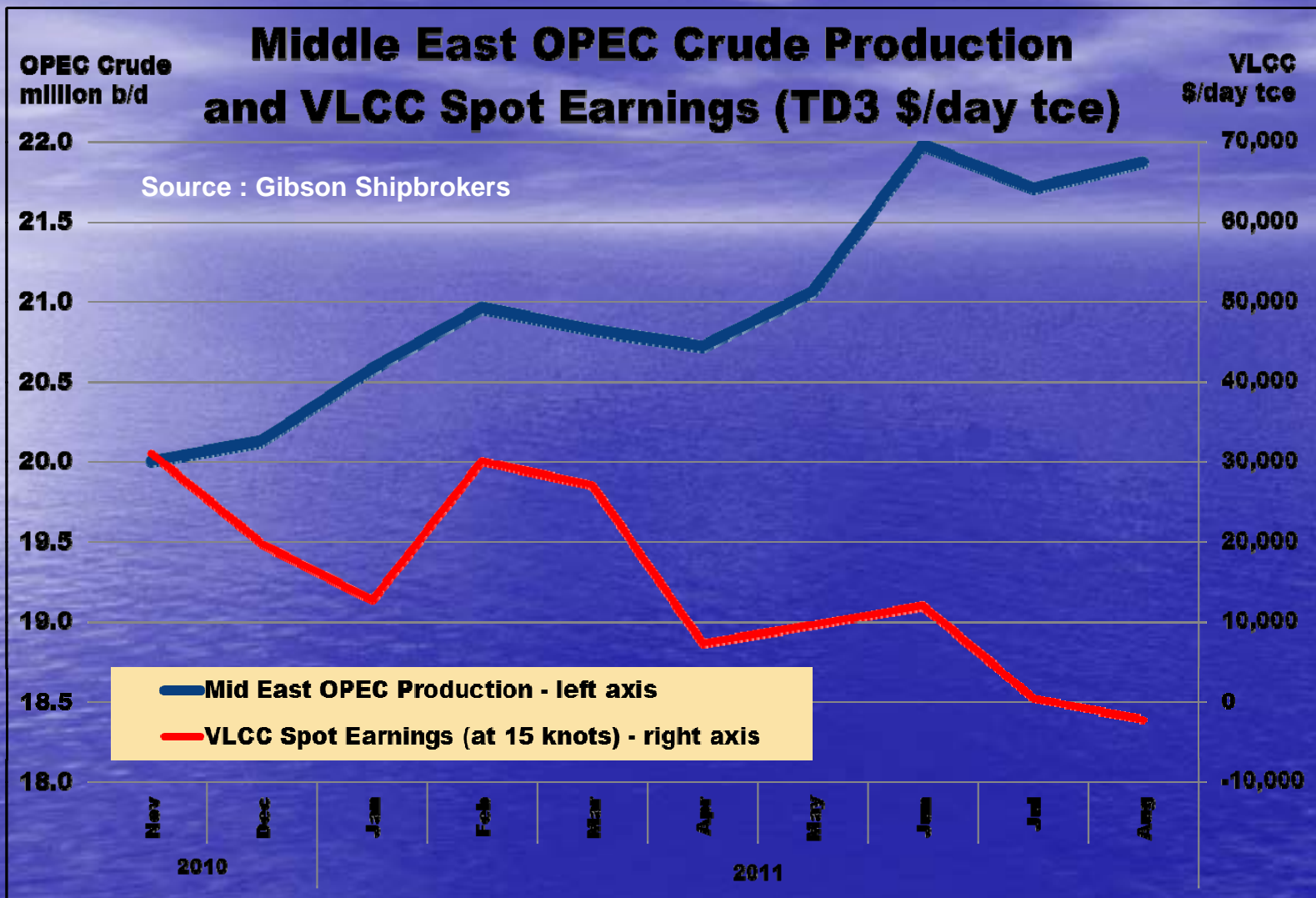
Tanker Chartering Report

Energy Consumption

OECD energy consumption stagnant

OECD consumer = 4.6mt energy pa cutting
back (1.2 bn population)

Non OECD consumer = 1.1mt energy pa
keen to use more (6.0 bn population)



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Tanker Chartering Report

VLCC Earnings

Spot market		12 month TC
2009	\$31,634	\$39,577
2010	\$40,219	\$37,962
2011	\$18,376	\$18,376

Last week - \$3,000

Tanker Chartering Report

US eastern seaboard refineries for sale
(closing ?)

ConocoPhillips Trainer Refinery

Sunoco Marcus Hoek + Phillidelphia

Quoting – “lack of desulpherisation
capability and reliance on North Sea
and Libyan crudes.

Tanker Chartering Report

- Layup:

A realistic option:

VLCC out of yard into layup

Sister vessel operated for 7 months - layup

14 VLCC's delivered in September

570 'in service'

Tanker Chartering Report

- FFA's may provide a forecast
- TD3 260,000mt AG/Japan
 - Oct 11 WS43.5
 - Q4 11 WS46.17
 - Q1 12 WS42.93
 - Cal 12 WS43.45

Tanker Chartering Report

LPG Timecharter earnings

82,000 cubic metre

2009	\$5,991
2010	\$17,066
2011	\$48,823

Tanker Chartering Report

LNG : co2 emmissions = 50% coal + low sulphur

Gas fields are said to be "stranded" :

Middle East, Russia, Australia, Africa

thus need ships....but costs are higher:

86,000mt (160,000cbm) = \$200 million

86,000mt AFRAMAX tanker = \$50 million

Tanker Chartering Report

LNG :

Shore Based Facilities expensive

Project delays normal

Tanker Chartering Report

- The Future = Global Economic Recovery
 - reduce budget deficits
 - tackle trade imbalances
 - high commodity prices
 - restore market confidence
 - restore medium term fiscal sustainability. *Eurozone*

Tanker Chartering Report

"....supply side pressure will require extraordinary performance to bring shipping into profitability."

Clarkson Shipping Review, 2011

Tanker Market

In

the

Doldrums?

Tanker Market

**or
on the
Edge
of the
Abyss?**