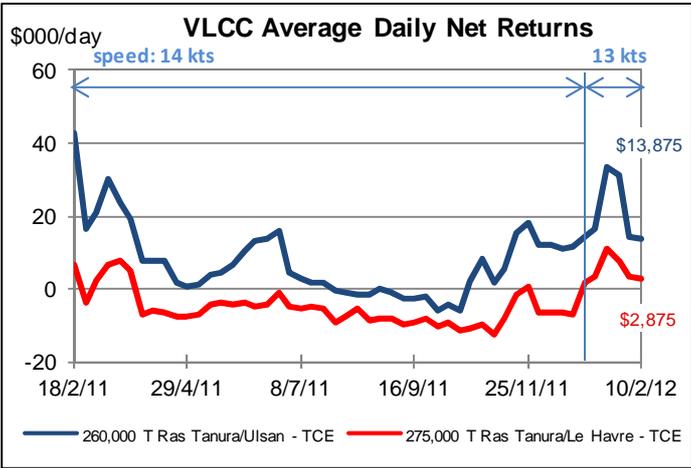




TANKER NEWSLETTER

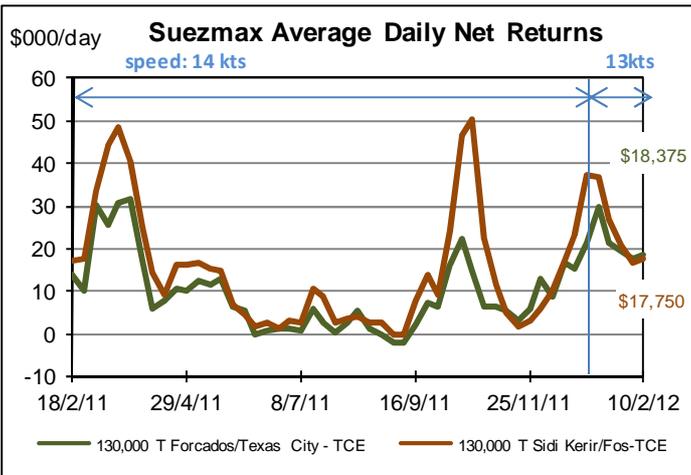
BRS Tanker Newsletter is a summary for BRS clients of current market trends and developments.

N°760 – February 10th, 2012



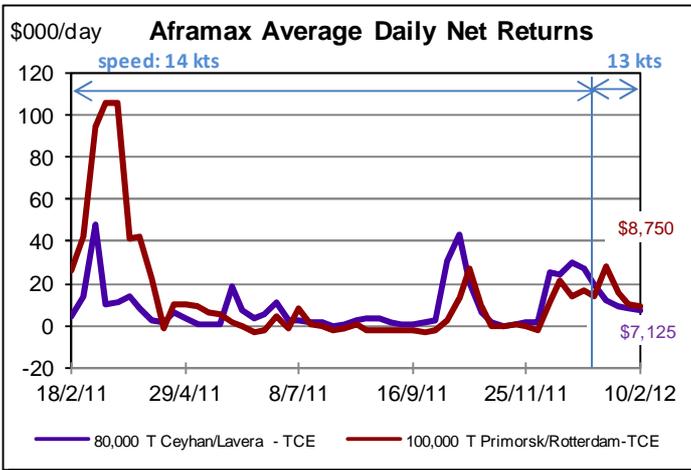
In the suffering VLCC world, we started the week with the official launching of the new VLCC pool: NOVA. We wish them luck and success even if we have to admit that for the time being, they could do not do much against the continuous pressure on the rates. Bunkers are moving up on one side and market levels down on the other, resulting in a negative impact on the TCE earnings of the ships. Charterers have managed to break the psychological level of WS50 basis 265,000t MEG/EAST, and on newbuilding ships they even managed to do less than WS45. The TCE rates are now well below the OPEX cost again, and we cannot see yet any light at the end of this long tunnel. January VLCC liftings in total this year were just 2% above last year figures, not sufficient to absorb the 6% net increase of the fleet in the same period.

VLCC Middle East Gulf →



The West Africa Suezmax market didn't firm up as much as expected. Even though the last ten days of February have been busy, a very quiet Baltic Sea/Med market increased the number of available ships to compete for West Africa cargoes. Basis 13kts speed, current returns lie around the USD19,000 per day at a rate of about WS80. As mentioned the European market was pretty dead this week and delays in the Turkish straits remain low. The only positive signs have been an increased activity from the Continent and Med to the East. Voyages from the Black Sea at WS80 earn about USD18,000 per day.

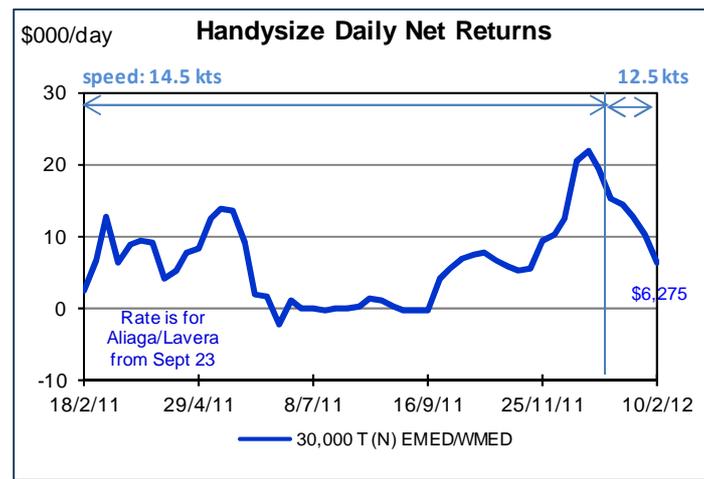
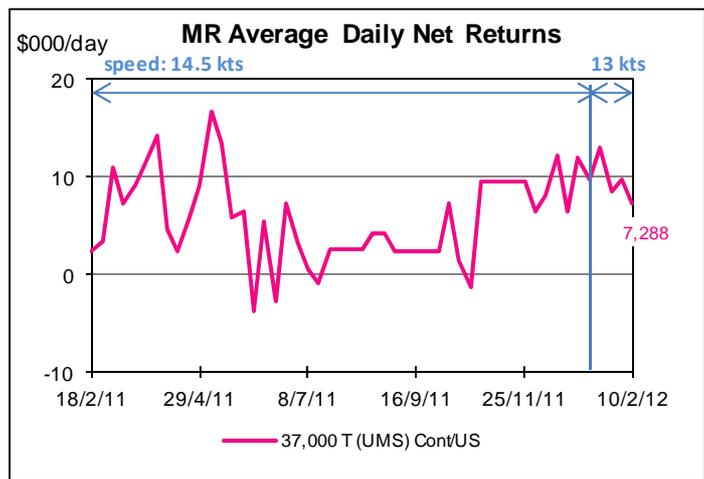
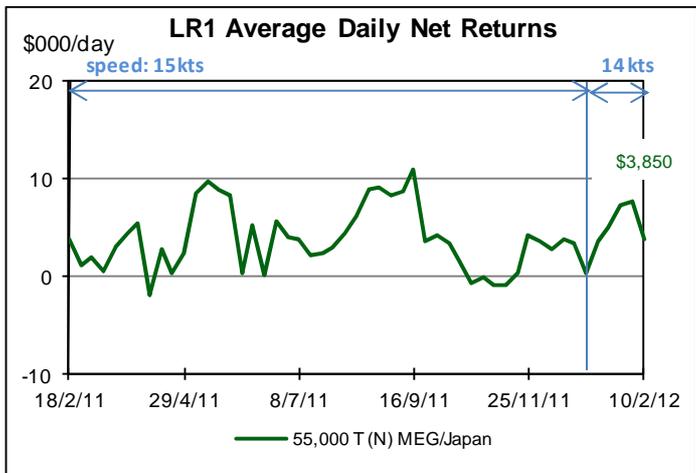
SUEZMAX West Africa →
SUEZMAX Mediterranean →



A bit more activity has been observed in the Baltic Sea / Med Aframax market, but rates have remained mostly unchanged or slightly below last week's levels. In the cross-Med market, the majority basis 80,000t was fixed at WS80 (i.e. about USD7,000 per day) and in the Black Sea market (basis 80,000t) around the same or a touch higher at WS82.5. With adverse weather conditions and likely bigger volumes, rates are unlikely to go down but possibly just remain at the same level. The North markets were rather quiet this week. With limited activity on both cross - North Sea and ex Baltic voyages, owners didn't manage to resist the soft trend. 80,000t cross-Cont currently pays WS87.5, and 100,000t ex Baltic about WS80.

AFRAMAX Mediterranean →
AFRAMAX North Sea →





Activity has remained stagnant this week with rates stable at very low levels. MRs saw slightly more cargoes, but the position list remains far too long for numbers to increase. Positive signs we have on the LR1 side as cargoes and available tonnage is increasingly more balanced. Freight rates are expected to start picking up for this segment. Cross-MEG is now fixing at USD165,000 lumpsum levels. 35,000t cpp from MEG to East Africa goes for WS180, while the east run with 35,000t naphtha is trading at WS105. 75,000t naphtha from MEG to Japan trades at WS85-90, and LR1s 55,000t naphtha MEG/Japan are going for WS105 levels.

Demand remained extremely slow again this week in the Med, whilst the bitter cold weather that hit all Europe persists and worsens. Cargoes from the Black Sea were extremely rare as the cold weather prevented the supply of products by train into the main outlets. The classic cross-Med activity was also sporadic with several ports closed due to the adverse weather conditions. Freight rates came down even more at WS142.5 for cross-Med and Black Sea/Med.

- PRODUCT LR1 → ↗
- PRODUCT MR → ↘
- PRODUCT Handysize → ↘