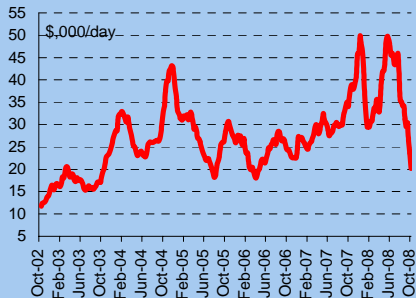


ClarkSea Index \$20,157



Highlights

VLCC Market

Owners managed to keep a relatively bullish sentiment.....p.2

Suezmax Market

Another quiet week saw rates fall.....p.2

Aframax Market

A busy week saw cross-Med rates firm to WS140.....p.2

Products Market

Clean rates remained firm in the MEG.....p.3

Capesize Market

The market has fallen hard and fast this week.....p.4

Panamax Market

The Panamax market likewise saw a heavy rates decline.....p.4

Handymax Market

Handy rates followed the larger bulk sizes downwards.....p.5

S & P Market

Due to the increasing complexity of the sale and purchase markets, no matrix of values has been provided as this could be misleading, please see note on p.i..... p.i

Newbuilding

Chaos in the financial markets continuesp.10

Demolition

The scrap market continues on a downward track.....p.11

The Atlantic Market This Week

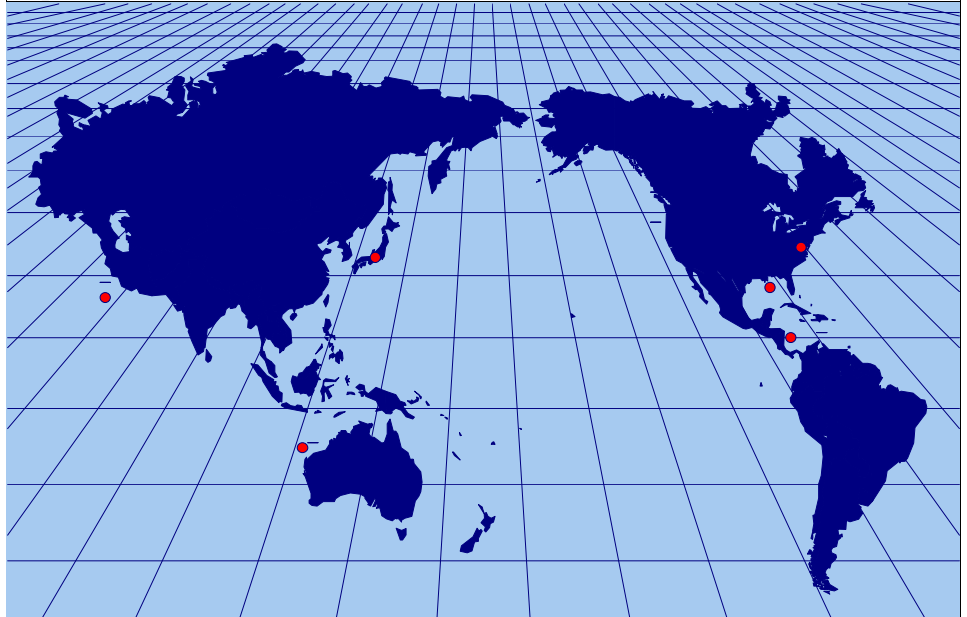
Capesize: Weaker!! Panamax: Weaker!! Handy: Weaker!!



Selection of ports covered by the various market sectors in this report

The Pacific Market This Week

Capesize: Weaker Panamax: Weaker!! Handy: Weaker!!



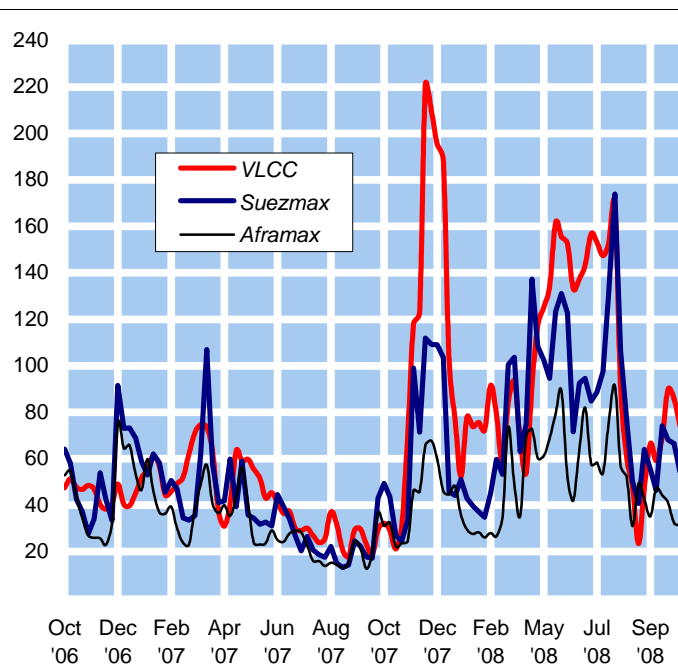
Recognised for its global marine expertise and experience, Brit Insurance is a major UK domiciled international insurer. We offer an extensive range of insurances for vessels, machinery, cargo and energy installations that are backed by excellent security and a commitment to the highest standards of customer service.



Crude Tanker Spot Market

Crude Tanker Spot Earnings (\$,000's/day)

Crude Tanker Highlights



- VLCCs:**
 Despite the lack of recent enquiry, owners have appeared to maintain a relatively bullish sentiment withstanding a great deal of pressure by charterers. It does seem that the seeds of doubt have been sown and one by one the weaker ships are being picked off. We expect rates to soften as we enter next week as the tonnage list looks heavy.
- Suezmaxes:**
 Another reasonably quiet week saw rates gradually falling at the end of the week. There was an abundance of spot ships but not enough early cargoes. Bullish owners held out for better options rather than accepting long waiting times for cargoes off later dates.
- Aframaxes:**
 The end to a busier week. The lack of significant movement in rates on many routes is as much testament to how much Ceyhan activity influences the market to how long the tonnage list is. Overall, average earnings softened slightly w-o-w to \$31,284/day.

VLCC Single Voyage.....	WS 2008			Average earnings \$ per day				VLCC Earnings	
	Oct 03	Oct 10	2008	2006	2007	2008	Oct 03	Oct 10	This Week
2 280,000t Gulf - Europe	103	90	108	52,652	44,805	79,679	74,341	66,664	WEAKER -10%
2 280,000t Gulf - US Gulf *	103	90	108	50,599	43,986	77,588	72,501	63,688	WEAKER -12%
2 265,000t Gulf - Japan *	140	110	149	63,599	63,691	116,261	105,384	78,448	WEAKER!! -26%
2 265,000t Gulf - S.Korea *	140	110	149	60,809	61,778	112,401	103,505	77,262	WEAKER!! -25%
2 270,000t Gulf - Sing	143	113	153	64,796	64,827	118,721	107,923	81,778	WEAKER -24%
2 280,000t Gulf - Red Sea	148	115	159	69,404	70,143	127,892	116,474	87,039	WEAKER!! -25%
2 260,000t WAF - East *	105	100	125	55,203	50,286	87,691	66,731	66,883	STEADY 0%
2 260,000t WAF - US Gulf *	120	120	144	71,234	55,155	105,371	80,343	84,878	FIRM.... 6%
2 280,000t Med - UKC	125	125	151	89,805	70,271	131,935	101,530	107,441	FIRM.... 6%
2 260,000t WAF - WC India^	5.75	5.75	6.20	62,749	53,103	92,816	82,238	89,103	FIRMER 8%
2 VLCC Ave. Earnings *				60,289	54,979	99,862	85,693	74,232	WEAKER -13%

^ WAF - WC India route quoted in WS until 11-Aug-06; quoted as a lump-sum figure thereafter (in \$ million).

Suezmax Single Voyage.....	WS 2008			Average earnings \$ per day				Suezmax Earnings	
	Oct 03	Oct 10	2008	2006	2007	2008	Oct 03	Oct 10	This Week
4 130,000t Gulf - S.China	145	140	172	41,224	38,781	58,626	44,702	46,725	FIRM.... 5%
4 130,000t WAF - USAC *	175	155	190	47,370	39,175	67,333	58,619	50,983	WEAKER -13%
4 130,000t WAF - Med	175	155	192	70,125	46,722	79,708	69,347	60,678	WEAKER -13%
4 130,000t Med - Med *	175	145	201	58,315	49,110	91,543	74,288	58,027	WEAKER -22%
4 Suezmax Ave. Earnings *				52,843	44,142	79,438	66,454	54,505	WEAKER -18%

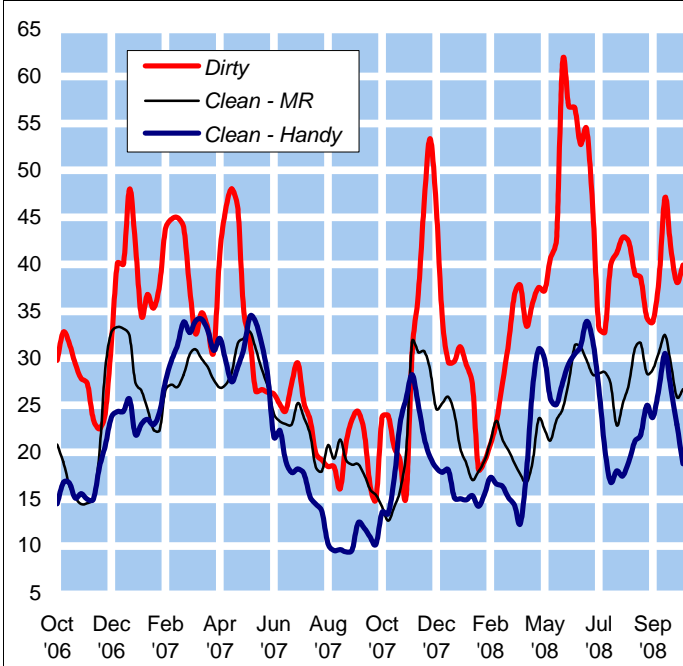
Aframax Single Voyage.....	WS 2008			Average earnings \$ per day				Aframax Earnings	
	Oct 03	Oct 10	2008	2006	2007	2008	Oct 03	Oct 10	This Week
6 80,000t Gulf - East *	190	175	206	32,193	29,654	37,816	33,267	32,352	STEADY -3%
6 80,000t Med - Med *	125	140	216	34,097	31,685	51,718	17,907	25,904	FIRMER 45%
6 80,000t Med - USAC	180	185	221	39,199	35,821	50,494	34,933	39,104	FIRMER 12%
6 80,000t UKC - UKC *	135	125	193	43,829	39,706	71,111	37,407	35,529	SOFTER -5%
6 80,000t UKC - USAC	175	180	220	40,414	35,733	50,169	33,700	38,849	FIRMER 15%
6 80,000t UKC - Med	130	125	184	33,853	27,801	40,647	19,483	21,746	FIRMER 12%
6 80,000t Indo - Japan *	190	175	202	34,395	29,493	38,447	33,692	32,749	STEADY -3%
6 70,000t Carib - US Gulf *	240	158	217	27,600	22,455	34,833	41,390	20,018	WEAKER!! -52%
6 80,000t Black Sea - Med *	140	158	224	58,029	45,812	69,323	30,089	41,153	FIRMER 37%
6 Aframax Ave. Earnings *				38,357	33,134	50,541	32,292	31,284	SOFTER -3%

Note: In June 2008, all tanker earnings since start 2004 were re-evaluated on the basis of revised voyage calculations; "Earnings" are timecharter equivalents of spot freight rates (see footnote on page 4); */# Indicates constituent routes of "Average Earnings" for each sector since start 2004.

Product Tanker Spot Market

Product Tanker Spot Earnings (\$,000's/day)

Product Tanker Highlights



Clean Products

Despite a slow week rates have remained firm in the Middle East. Rates have softened in the UKC, with trans-Atlantic voyages falling WS55 w-o-w to WS190. Overall, average earnings for 'MR' sized vessels firmed 3% w-o-w to \$26,690/day and for 'Handysize' vessels average earnings weakened to \$18,781/day. A weak market in the West is expected to depress rates further next week.

Dirty Products

Rates on the Panamax for UKC-/TA remained flat this week, falling WS5 w-o-w to WS265. Sentiment in the Caribs market now remains steady and rates increased slightly w-o-w to WS255. Overall, average dirty products earnings firmed 5% w-o-w to \$39,922/day.

Clean Product Single Voyage...

8	75,000t	Gulf - Japan
9	55,000t	Gulf - Japan
13	35,000t	Gulf - Japan *
13	35,000t	Gulf - E.Africa *
13	37,000t	UKC - USAC *
13	38,000t	Caribs - USAC *
13	30,000t	Sing - Japan *
14	30,000t	Med - USAC #
14	30,000t	Med - UKC #
14	30,000t	Med - Med
14	30,000t	Black Sea - Med
14	30,000t	Baltic - UKC #
14	30,000t	UKC - UKC §
Clean 'MR' Ave. Earnings *		
Clean 'Hdy' Ave. Earnings #		

WS 2008		
Oct 03	Oct 10	2008
330	330	229
350	350	259
335	345	305
430	445	347
245	190	295
215	195	290
325	335	247
300	220	306
335	285	267
325	275	270
360	290	265
220	215	249
220	215	269
Clean 'MR' Ave. Earnings *		
Clean 'Hdy' Ave. Earnings #		

Average earnings \$ per day			
2006	2007	2008	Oct 03
31,851	23,704	40,530	71,447
28,253	24,194	33,957	54,914
25,467	22,930	23,407	27,337
28,053	27,401	31,415	43,261
27,626	28,810	27,695	19,957
30,330	28,820	29,205	17,453
18,748	14,116	11,975	21,374
21,749	23,231	22,688	21,707
21,449	22,467	21,301	30,600
35,785	36,313	37,684	50,200
28,821	27,571	28,755	45,737
22,212	21,538	21,505	16,562
New timeseries			23,597
26,045	24,416	24,739	25,876
21,804	22,412	21,831	22,957

Clean Earnings

Oct 10	This Week ...	
75,609	FIRM....	6%
58,629	FIRM....	7%
31,354	FIRMER	15%
47,443	FIRMER	10%
13,780	WEAKER!!	-31%
15,720	WEAKER	-10%
25,154	FIRMER	18%
12,663	WEAKER!!	-42%
25,372	WEAKER	-17%
40,126	WEAKER	-20%
34,755	WEAKER	-24%
18,309	FIRMER	11%
24,745	FIRM....	5%
26,690	FIRM....	3%
18,781	WEAKER	-18%

§ Jun-08: Tees-Amsterdam replaced Tees-Dunkirk as featured UKC-UKC route.

Dirty Product Single Voyage...

12	55,000t	Med - US Gulf *
12	55,000t	UKC - US Gulf *
12	50,000t	Caribs - USAC *
12	45,000t	Med - UKC
Dirty Ave. Earnings *		

WS 2008		
Oct 03	Oct 10	2008
270	265	260
270	265	260
253	255	265
270	260	290
Dirty Ave. Earnings *		

Average earnings \$ per day			
2006	2007	2008	Oct 03
32,655	32,196	37,681	39,938
35,399	34,427	40,935	43,295
27,444	26,864	33,714	31,036
New timeseries			32,751
31,833	31,162	37,443	38,090

Dirty Earnings

Oct 10	This Week ...	
41,057	STEADY	3%
45,151	FIRM....	4%
33,558	FIRMER	8%
33,299	STEADY	2%
39,922	FIRM....	5%

VLCC Spot Market Activity...

Fixtures:	Gulf-West	23	28	29	17	19	31	21
	Gulf-East/Japan	61	67	60	64	43	51	53
	Gulf-Red Sea	3	0	0	0	0	0	0
	Others	31	33	28	18	20	24	24
Total Number of Fixtures		118	129	117	99	82	106	98
Vessels due to arrive in Gulf ~		65	65	65	53	53	75	68
VLCC's Spot in Gulf ~ No.		3	0	1	0	1	3	5
Dwt		744	0	294	0	255	896	1,391

Monthly Fixture Record						
Average No.		Number				
2006	2007	May '08	Jun '08	Jul '08	Aug '08	Sep '08
23	28	29	17	19	31	21
61	67	60	64	43	51	53
3	0	0	0	0	0	0
31	33	28	18	20	24	24
118	129	117	99	82	106	98
65	65	65	53	53	75	68
3	0	1	0	1	3	5
744	0	294	0	255	896	1,391

VLCC Spot Market

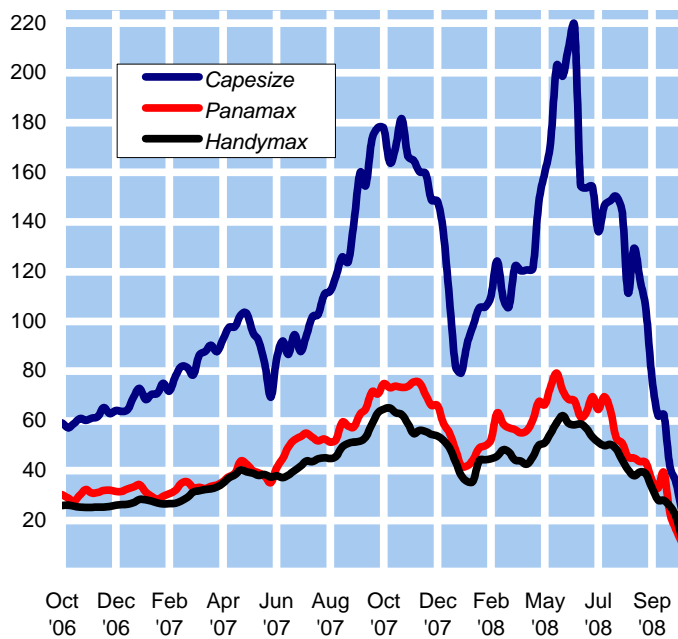
Last	This Week ...	
26	UP BY....	24%
53	UP BY....	0%
0		
24	UP BY....	0%
103	UP BY....	5%
60	DOWN BY...	-12%
3	DOWN BY...	-40%
886	DOWN BY...	-36%

~ As at the beginning of the month for historical data; for the next 4 weeks (vessels due) or this week (vessels spot) for current week's data.

Large Bulk Carrier Market

Bulkcarrier Spot Earnings (\$,000's/Day)

Bulkcarrier Highlights



Tripcharter Market, Freight Futures, & Bunkers

Panamax Tripcharter...

Average Earnings \$ Per Day

	2006	2007	2008	Sep 12	Sep 19	Sep 26	Oct 03
Cont/Far East	24,548	62,150	77,232	54,000	52,000	32,000	25,000
TransPacific R/V	25,195	54,908	53,329	37,000	48,000	25,000	20,000
Far East/Cont	24,264	51,782	44,256	31,000	42,000	25,000	20,000
TransAtlantic R/V	22,447	58,894	66,768	37,000	38,000	20,000	18,000
Average Panamax Earnings	24,073	56,933	60,396	39,750	45,000	25,500	20,750
Clarkson P'max Trip Index	243	575	611	402	455	258	210

*Rates are for a Panamax vessel based on the Baltic standard BPI vessel.

Panamax Market

Oct 10	This Week ...	
19,500	WEAKER	-22.0%
12,000	WEAKER!!	-40.0%
12,000	WEAKER!!	-40.0%
12,500	WEAKER!!	-30.6%
14,000	WEAKER!!	-32.5%
142	WEAKER!!	-32.5%

Handymax Tripcharter...*

Average Earnings \$ Per Day

	2006	2007	2008	Sep 12	Sep 19	Sep 26	Oct 03
Cont/Far East	21,757	49,430	62,543	39,750	37,625	35,150	29,000
TransPacific R/V	24,075	44,675	44,055	29,750	30,550	28,450	23,500
Far East/Cont	24,725	44,563	38,372	26,750	27,750	27,250	21,000
TransAtlantic R/V	20,502	51,660	56,644	34,000	33,650	31,500	27,500
Average Earnings 52,000 dwt	22,583	47,582	50,385	32,563	32,394	30,588	25,250
Average Earnings 45,000 dwt	20,373	42,583	44,466	28,250	28,125	25,750	21,875
Clarkson Handymax Index	273	575	609	394	391	370	305

* 52,000 dwt "Supramax" unless stated

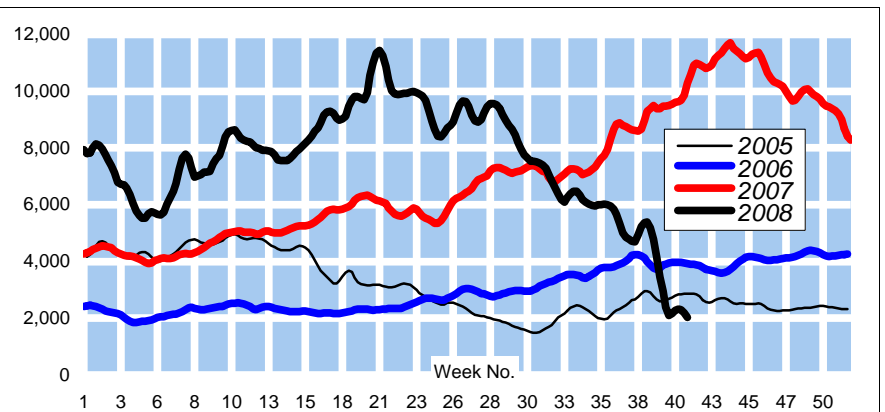
Handymax Market

Oct 10	This Week ...	
19,500	WEAKER!!	-32.8%
15,750	WEAKER!!	-33.0%
13,750	WEAKER!!	-34.5%
17,000	WEAKER!!	-38.2%
16,500	WEAKER!!	-34.7%
13,438	WEAKER!!	-38.6%
199	WEAKER!!	-34.7%

Baltic Freight Indices

	BPI	BCI	BSI	BDI
11-Sep	4849	6655	3130	4893
12-Sep	4785	6438	3126	4800
15-Sep	4712	6369	3102	4747
16-Sep	4695	6471	3086	4760
17-Sep	4931	6578	3077	4856
18-Sep	5243	6606	3087	4958
19-Sep	5368	6528	3102	4975
22-Sep	5396	6408	3112	4949
23-Sep	5198	6078	3103	4782
24-Sep	4787	5581	3067	4489
25-Sep	4157	5206	3012	4163
26-Sep	3458	4652	2925	3746
29-Sep	2957	4499	2851	3504
30-Sep	2382	4318	2729	3217
01-Oct	2102	4163	2599	3025
02-Oct	2158	4197	2454	2990
03-Oct	2281	4254	2364	3002
06-Oct	2325	4310	2276	2992
07-Oct	2311	4279	2127	2922
08-Oct	2196	4057	1987	2764
09-Oct	2029	3548	1844	2503
Max Value	5396	6655	3130	4975
Min Value	2029	3548	1844	2503
Avg Value	3730	5295	2770	3954

Baltic Panamax Index Trends



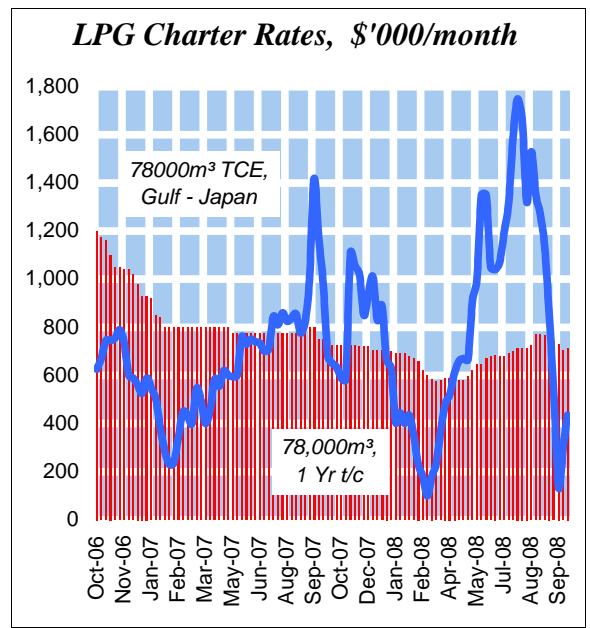
FFA Indications at close				09-Oct		
Basis Closing Mid Price			Index	Oct	Q4	Cal '09
BPI 1A	TransAtlantic R/V, \$/day		13,948			
BPI 2A	USGulf/Far East, \$/day		20,225	20,500		
BPI 3A	TransPacific R/V, \$/day		15,868	17,000		
BCI 7	Bolivar/Rott \$/ton		15.05	15.25	16.25	15.75
BCI 4	R.Bay/Rott \$/ton		15.39	15.25	14.88	15.00
Cape	TC Average \$/day		30,678	33,000	27,750	30,000
P'max	TC Average \$/day		16,425	15,500	17,125	18,250
S'max	TC Average \$/day		19,283	18,250	16,250	16,000

Regional Bunker Markets

	MDO				380cst				Bunkers This Week ... (380cst)
	Avg.	To Date	Oct	Oct	Avg.	To Date	Oct	Oct	
	2007	2008	3	10	2007	2008	3	10	
Rotterdam	572	950	825	733	346	539	545	459	LOWER -15.8%
Genoa	-	-	-	-	369	563	570	479	LOWER -16.0%
Philadelphia	686	1048	963	888	371	571	577	523	LOWER -9.4%
Houston	610	1023	1003	903	353	563	560	503	LOWER -10.3%
Cristobal	691	1150	1228	1228	369	585	573	535	LOWER -6.6%
Los Angeles	711	1051	1010	1010	382	594	610	502	LOWER -17.8%
Japan	606	1012	1015	895	419	649	685	583	LOWER -15.0%
Singapore	623	1021	853	724	374	576	572	482	LOWER -15.7%
Fujairah	666	1098	1030	990	375	580	559	480	LOWER -14.1%

Gas & Chemical Markets

LPG Market....	Average		2008		LPG Market Trends...	
	2006	2007	Aug	Sep	10 Oct	
Voyage Rates (\$/mt) 44/46K mt Gulf/Jap*	46.71	37.07	71.30	45.25	33.00	WEAKER: -27%
T/C Equivalent, \$/day 82,000m ³ modern + 78,000m ³ modern	n/a	31,398	48,790	22,357	14,959	WEAKER: -33%
	37,327	23,019	46,817	21,535	14,302	WEAKER: -34%
12 mths T/C, \$/day 82,000m ³ modern + 78,000m ³ modern	n/a	24,288	25,447	25,932	24,658	SOFTER... -5%
	37,727	25,455	24,296	24,617	23,507	SOFTER... -5%
59,000m ³ modern"	35,394	32,207	29,590	28,439	27,617	STEADY... -3%
54,000m ³ #	29,931	26,395	21,370	18,370	18,083	STEADY... -2%
35,000m ³	33,247	30,677	28,406	27,946	27,946	STEADY... 0%
24,000m ³	27,588	28,483	27,617	27,946	27,946	STEADY... 0%
22,000m ³ Semi-Ref +	n/a	29,836	30,445	30,946	31,234	STEADY... 1%
15,000m ³ Semi-Ref	22,353	28,395	23,014	23,425	23,836	STEADY... 2%
8,250m ³ Ethylene	19,967	23,684	21,370	21,370	21,370	STEADY... 0%
3,500m ³ Pressure (East)	n/a	7,846	7,956	7,521	7,397	STEADY... -2%
3,200m ³ Semi-Ref	9,939	20,885	10,192	10,192	10,192	STEADY... 0%



* 44K mt for 78K vessel/46K mt for 82K vessel. + Annual data is for end-2007. " 57,000m³ till end 2007. #52,000m³ till end 2007.

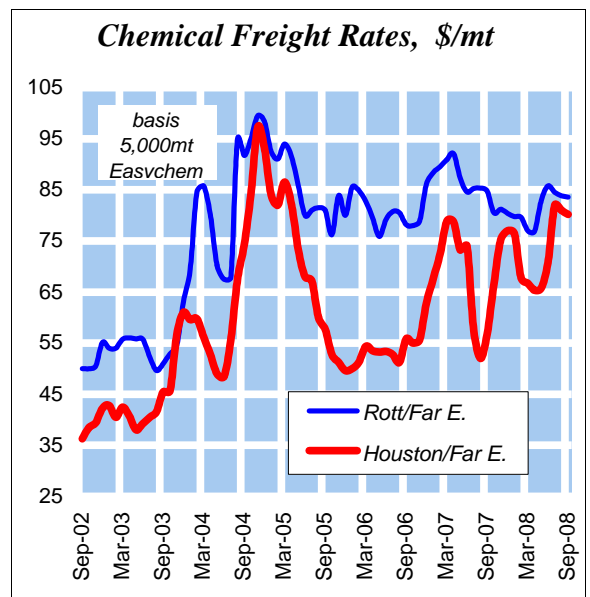
East of Suez the spot market turned out much as was anticipated last week in that a limited number of vessels found employment and freight levels remained quite flat. Idle time remains a problem and freight levels are likely to remain under pressure until sufficient stems emerge to soak up the overhang of ships available to load in the Middle East for the month

ahead. On a positive note some enquiries are already being discussed for November loading and bunker prices continue to fall thus helping earnings levels for vessels which are employed. In the West a few spot enquiries have been worked but the market could not be described as "active".

As we approach the middle of October and term FOB contracts get

closer to finalisation, discussions are picking up on term business but it may be some time before we see many firm developments. Potential investors are keeping a close eye on newbuild prices, which could soften over the next year, as well as second hand possibilities. Having said this, the squeeze on financing for ship transactions is bound to stifle liquidity going forward.

Chemicals Markets....	Average		2008		Chem Market Trends...	
	2006	2007	Aug	Sep	10 Oct	
Voyage Rates (\$/mt) 10,000 Gulf/WCIndia	24.45	30.85	35.20	31.50	32.00	STEADY... 2%
15,000* Gulf/MPFE	47.42	54.42	73.10	66.63	67.00	STEADY... 1%
15,000* Gulf/Med	47.42	54.42	84.80	83.00	83.00	STEADY... 0%
5,000 Rott/Houston	51.14	43.75	46.20	58.75	62.50	FIRM... 6%
10,000 Rott/Houston	42.94	38.18	41.30	53.75	57.50	FIRM... 7%
1,000 ~ Rott/MPFE	99.14	100.61	103.80	103.00	104.00	STEADY... 1%
2,000 ~ Rott/MPFE	91.27	91.48	94.80	94.00	95.00	STEADY... 1%
3,000 Rott/MPFE	85.57	88.45	88.40	87.00	88.00	STEADY... 1%
5,000 Rott/MPFE	80.89	85.82	83.80	84.00	85.00	STEADY... 1%
2,000 ~ Houston/Rott	57.60	67.88	74.00	74.00	69.00	SOFTER... -7%
3,000 Houston/Rott	48.20	62.74	67.75	67.00	62.00	SOFTER... -7%
5,000 Houston/Rott	42.31	53.85	61.50	61.00	56.00	WEAKER... -8%
2,000 ~ Houston/MPFE	77.47	83.81	98.25	93.25	77.50	WEAKER... -17%
5,000 Houston/MPFE	54.28	69.24	81.25	75.25	57.00	WEAKER... -24%
10,000 Houston/MPFE	51.05	65.03	76.50	70.25	52.50	WEAKER... -25%



Easychems except for: * Chemicals. ~ Stainless Steel. MPFE= Main Port Far East

The market for chemical parcel cargoes has generally become quieter in recent weeks and consequently the general upward trend of rates on most trade lanes has now stalled.

Transatlantic rates for westbound easychems have been flat for a couple of weeks now as a result of lower enquiry levels. Some ships remain open

for the second half of October, and consequently, the current static picture for rates may soon become a downward movement.

The market for vessels out of Houston on both transatlantic and Far East routes have already begun to soften somewhat. This is as a result of lacklustre enquiry levels, and an excess

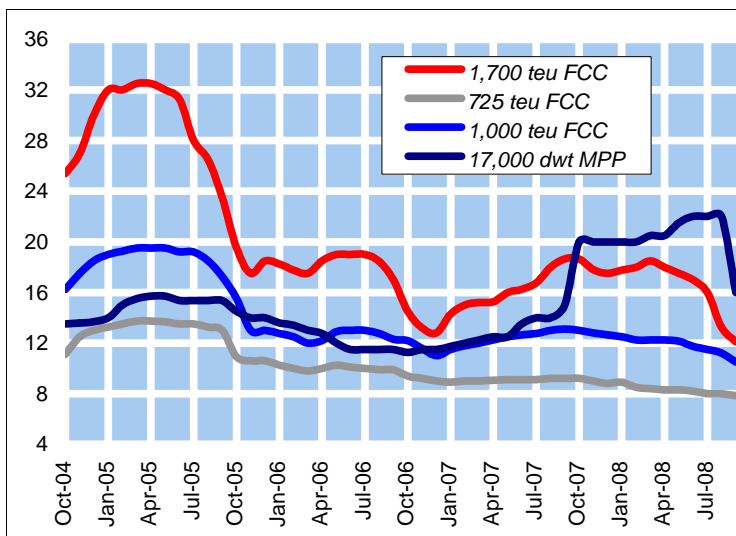
of available parcel space on prompt vessels.

The Middle Eastern market was rendered quiet as a result of holidays for the end of Ramadan. Piracy remains a hot issue, with further reports of some "near misses" with Somali pirates by vessels transiting the Gulf of Aden.

Liner & Offshore Markets

Liner Market Rates (\$,000's/day)

Liner Market News



- The New World Alliance has announced the closure of two of its Transpacific loops with a combined weekly capacity of 8,800 TEU. Wan Hai and PIL have also announced that they will cut the capacity of their jointly run Transpacific service, replacing the five 4,250 TEU vessels currently deployed with 2,500 TEU vessels. Four of the five larger vessels will be redeployed onto a service linking China with the Middle East and the Indian Subcontinent. Over the first seven months of 2008, peak leg Asia-US volumes reported by PERS have fallen by 7.2% year-on-year.

- Container handling at the port of Antwerp has remained healthy, with throughput increasing by 10.4% year-on-year over the first half of 2008 to hit 4.4 million TEU. However, throughput at US ports has continued to slide. In August, container handling at the top ten US box ports was down by 5.9% year-on-year.

Container / MPP / Short Sea Markets

	Average			
	2004	2005	2006	2007
Container Vessels (\$/Day)				
Feedermax, 725 teu grd.	9,888	12,775	9,817	9,054
Handy, 1,000 teu grd.	14,475	17,700	12,350	12,500
Handy, 1,700 teu grd.	23,108	27,146	17,079	16,613
Sub-P'max, 2,000 teu g'less	26,267	28,750	18,392	19,696
Sub-P'max, 2,750 teu g'less	33,850	34,813	22,646	26,292
Panamax, 3,500 teu g'less	35,621	38,427	26,583	29,958
MPP Tonnage (\$/Day)				
17,000 dwt, grd. 1 yr. t/c(liner)	11,321	14,983	12,083	14,792
9,000 dwt, 1 yr. t/c (liner)	8,842	12,213	10,192	10,708
European Short Sea 3,000dwt(\$/t)				
ECUK/ARAG - N.Spain	25.67	24.40	21.64	28.61
French Bay - ECUK	13.71	12.64	13.03	16.07
Lower Baltic - ARAG	22.49	18.33	15.97	22.53
UK/ARAG - W.Med	33.23	34.00	32.19	37.00
W.Med - UK/ARAG	26.76	25.77	25.86	29.69

2008			Liner Markets		
Jul	Aug	Sep	Oct	Trends...*	
8,000	8,000	7,850	7,850	STEADY...	-3%
11,500	11,200	10,500	10,500	WEAKER...	-8%
16,000	13,250	12,100	12,100	WEAKER...	-25%
18,000	16,500	16,000	16,000	WEAKER...	-13%
22,000	20,500	19,500	19,500	WEAKER...	-17%
27,000	26,000	25,000	25,000	WEAKER...	-13%
22,000	22,000	16,000	16,000	WEAKER...	-18%
14,000	14,000	10,000	10,000	WEAKER...	-19%
36.31	34.55	31.44	30.00	SOFTER...	-5%
20.19	18.60	17.19	16.50	SOFTER...	-4%
31.25	28.80	27.13	26.25	SOFTER...	-3%
48.69	48.30	47.38	45.50	SOFTER...	-4%
42.31	40.30	39.50	37.00	SOFTER...	-6%

*3 mth trend for Container + MPP markets, Change since previous month for Short Sea. See www.hcshipping.co.uk for Short Sea market report

Offshore Vessel Market

	Average			
	2004	2005	2006	2007
AHTS 7-12,000 Bhp	6,932	15,927	40,706	34,122
AHTS 12,000+ Bhp	9,294	25,072	55,935	51,559
PSV < 3,000 Dwt	5,981	13,593	22,170	21,601
PSV > 3,000 Dwt	8,520	17,168	26,119	26,074

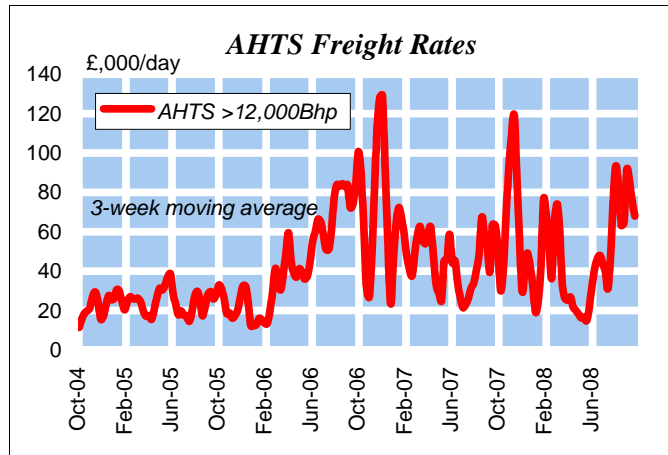
2008			Offshore Market ...	
Jul	Aug	Sep	10 Oct	This Month
35,000	28,750	20,688	20,688	STEADY... 0%
41,408	78,777	80,533	105,186	FIRMER... 31%
16,000	16,000	16,000	32,500	FIRMER... 103%
23,971	21,680	27,225	31,950	FIRMER... 17%

Note: Rates are based on the averages of reported fixtures in the North Sea in £/day, supplied by One Offshore UK Ltd.

Offshore Fleet & Orderbook....

	No. Vessels, end			
	2005	2006	2007	Sep-08
Fleet:*				
Anchor Handling Tug/Supply	1,908	1,997	2,105	2,147
PSV/Supply	1,569	1,638	1,715	1,765
Crew/Workboat	368	373	380	380
Other Types	1,615	1,638	1,676	1,702
All Offshore Vessels	5,460	5,646	5,876	5,994
Orderbook:				
Anchor Handling Tug/Supply	208	399	556	550
PSV/Supply	151	239	285	253
Crew/Workboat	9	13	23	31
Other Types	68	140	203	220
All Offshore Vessels	434	790	1065	1,054

* As of 1st February 2006, our coverage of the offshore fleet has been expanded.



Secondhand Prices* (PLEASE SEE Page i FIRST)

Oil Tanker Prices...	End Year, \$m			3-Oct
	2005	2006	2007	
310,000 dwt d/h * Resale	140.0	140.0	155.0	180.0
300,000 dwt d/h 5 yrs	117.0	118.0	135.0	150.0
300,000 dwt d/h 10 yrs	90.0	96.0	110.0	120.0
250,000 dwt s/h 15 yrs	37.0	39.0	59.0	38.0
160,000 dwt d/h " Resale	87.0	94.0	102.0	115.0
150,000 dwt d/h 5 yrs	75.0	82.0	92.0	98.0
150,000 dwt d/h 10 yrs	65.0	71.0	74.0	78.0
105,000 dwt d/h Resale	70.0	75.0	80.0	85.0
105,000 dwt d/h # 5 yrs	63.0	66.5	70.0	75.0
95-97k dwt d/h 10 yrs	54.0	53.0	60.0	58.0
95-97k dwt d/h ^ 15 yrs	New timeseries			35.0
70,000 dwt d/h 5 yrs	48.0	56.0	60.5	59.0
65,000 dwt d/h 10 yrs	39.0	42.0	50.5	49.0
65,000 dwt s/h 20 yrs	8.5	11.0	12.0	10.0
47,000 dwt d/h ~ 5 yrs	47.0	47.5	52.0	51.0
45,000 dwt d/h 10 yrs	38.0	39.0	42.0	40.0
45,000 dwt d/h 15 yrs	23.0	27.0	28.0	25.0
45,000 dwt s/h 20 yrs	10.0	13.0	10.0	8.0
37,000 dwt d/h § 5 yrs	40.0	44.0	44.5	46.0
35,000 dwt d/h 10 yrs	21.0	31.0	36.0	36.0
5-y-o Tanker Index	233	248	266	271
12 month Change	17%	6%	7%	2%

Before Mar-08: *300k dwt "150k dwt #95-97k dwt ^86k dwt s/h ~45k dwt §35k dwt

Bulkcarrier Prices...	End Year, \$m			3-Oct
	2005	2006	2007	
170,000 dwt 5 yrs	57.0	81.0	150.0	129.0
150,000 dwt 10 yrs	38.0	62.0	105.0	100.0
150,000 dwt 15 yrs	28.0	43.0	88.0	77.0
150,000 dwt * 20 yrs	18.5	21.0	59.0	55.0
73,000 dwt 5 yrs	29.5	45.5	88.5	71.0
72,000 dwt 10 yrs	24.0	37.0	72.0	61.0
69,000 dwt 15 yrs	18.5	27.5	61.0	52.0
60,000 dwt 20 yrs	10.5	16.0	44.5	29.0
52,000 dwt 3 yrs	29.5	42.5	75.0	60.0
52,000 dwt 5 yrs	25.5	40.0	75.0	57.0
42-45,000 dwt 10 yrs	20.5	32.0	60.0	48.0
42-45,000 dwt 15 yrs	16.5	22.0	46.5	38.0
42-45,000 dwt 20 yrs	10.0	15.5	36.0	28.0
28-30,000 dwt 5 yrs	26.0	28.5	44.0	44.0
28-30,000 dwt 10 yrs	19.0	23.0	40.0	38.0
28-30,000 dwt 15 yrs	15.0	18.0	33.0	30.0
27,000 dwt 20 yrs	8.0	11.5	26.0	20.0
5-y-o Bulker Index	178	239	423	363
12 month Change	-4%	34%	77%	-12%

Before Oct-05: *120-130k dwt

Container & Ro-Ro Prices	End Year, \$m			3-Oct	Trend ...
	2005	2006	2007		
3,500 teu 10 yrs	37.0	41.0	49.5	45.5	
1,700 teu 10 yrs	24.5	24.5	26.5	23.0	
725 teu 10 yrs	12.5	13.0	14.0	14.3	
10-y-o Container Index	115.7	120.8	136.8	127.6	
Ro-Ro 2,500 lm* 10 yrs	22.0	23.3	25.0	25.5	
Ro-Ro 1,250 lm* 10 yrs	13.5	14.5	15.5	16.0	

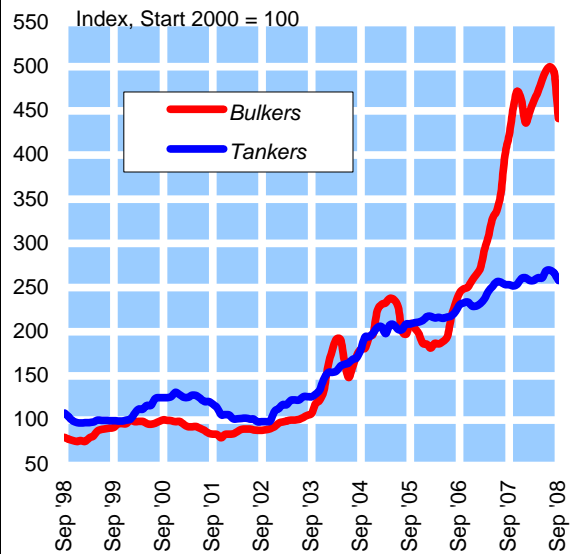
*Ro-Ro prices in euros, historical data converted using historical exchange rates

Clarkson Index ...	End Year, \$m			3-Oct
	2005	2006	2007	
ALL VESSELS	156	179	226	222

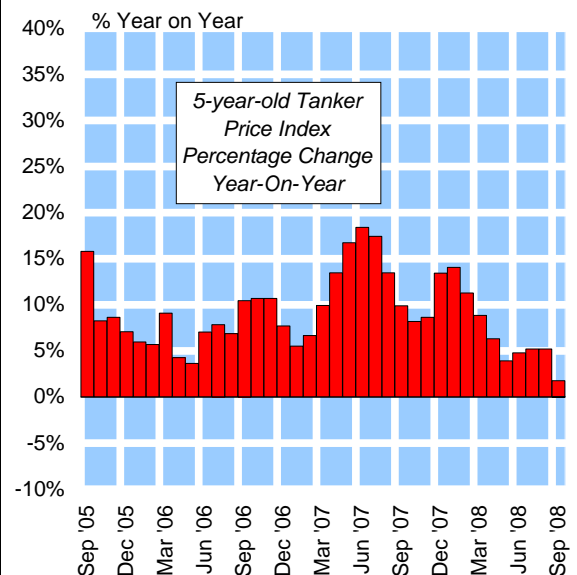
The 3 month trend is the average of the last three months over the previous three months. All bulk indices have been re-based to start 2000 = 100.

Asset Play in Focus

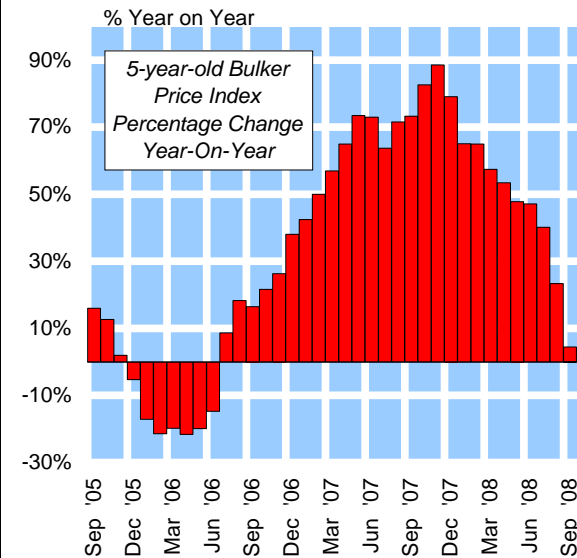
Long Term Price Trends



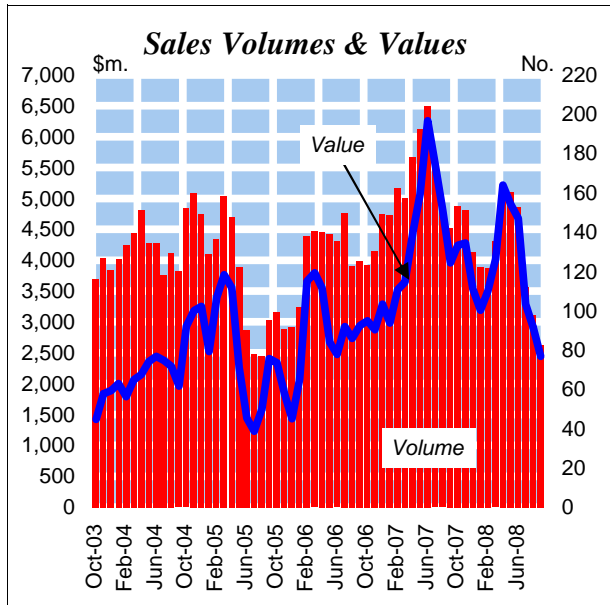
Short Term Tanker Trends



Short Term Bulk Trends



Sale & Purchase Market



Secondhand Prices *

Due to the market turbulence and increasingly complex sale and purchase market, no price updates have been provided this week. If you would like to discuss, or require support on specific valuation issues, please contact Clarkson Valuation Limited.

Tankers:

Tsakos Energy Navigation (TEN) have exercised their purchase option on the "CAPE BAKER" (164,274 dwt, built 2002, Hyundai Samho), for an undisclosed amount, the vessel was initially sold to Columbia Ship Management in 2003 in a sale-and-leaseback deal. The vessel is to be renamed the "DECATHLON" and still has 12 months remaining on her existing charter. There are also unconfirmed rumours that TEN is expected to buy back a sister ship the "CAPE BALBOA" (also built 2002) at some point in November. This vessel was also part of the same sale-and-leaseback deal. Brostrom Tankers have sold the "BRO JUPITER" (14,359 dwt, built 1999 Qiuxin S/Y, IMO II), to Chilean based interests for \$21.5 million (basis of prompt charterfree delivery).

Dry Cargo:

Having sold the "MARIGOLD" (48,355 dwt, built 1982 Hanjin, C3X20T, C2X15T) last week to Courage Marine for \$16.2m, clients of Maryville Maritime have now sold the "GOLDMAR" (39,697 dwt, built 1984 Imabari, C4X25T) for \$15.9m with a prompt delivery. The buyers are as yet unknown but there is speculation in the market that the deal may have been done to the same buyers. The cement carrier "MORNING SEAGULL" (9,704 dwt, built Honda 1986, D4X20T) has been sold by C& Line Group for \$9.5m. The buyers are thought to be specialists in this trade with clients of Seabulk or Nafto Trade being mentioned as the potential takers.

Baltic Sale & Purchase Assessments (weekly)

(Based on max. 5-year old vessels, as published by the Baltic Exchange) As of 6th October 2008.

VLCC (305,000 DWT):	\$156.650m
Aframax (105,000 DWT):	\$75.895m
MR Product tanker (45,000 DWT):	\$51.777m
Capesize (172,000 DWT):	\$121.394m
Panamax (74,000 DWT):	\$70.939m
Super Handy (52,000 DWT):	\$56.273m

Tanker Sales*	Y-t-d		Sep 2008
	2007	2008	
Type: VLCC	52	25	1
Suezmax	42	29	1
Aframax	66	57	1
Handy/Pmax	229	159	12
Total No. Sales	389	270	15
Total DWT (,000)	35,596	23,065	902
Total Value (\$ m)	14,507	10,281	411

Revised: Suezmax = 120-200k dwt, Aframax = 80-120k dwt

Bulk Sales*	Y-t-d		Sep 2008
	2007	2008	
Type: Capesize	90	41	6
Panamax	181	63	2
Handymax	185	70	2
Handysize	294	134	8
Total No. Sales	750	308	18
Total DWT (,000)	44,963	18,587	1,510
Total Value (\$ m)	26,253	13,548	854

Other Sales	Y-t-d		Sep 2008
	2007	2008	
Total No. Sales	835	589	70
Total dwt (,000s)	11,441	6,724	782
Total Value (\$ m)	12,254	10,504	1,263

Total Sales	Y-t-d		Sep 2008
	2007	2008	
Buyers: Greece	370	161	11
Norway	115	48	6
Germany	32	10	
China P.R.	84	75	3
UK	69	49	
South Korea	85	30	1
Total No. Sales	1,974	1,170	103
Total Dwt (,000)	92,000	48,514	3,195
Total Value (\$m.)	53,014	34,450	2,527
Average \$/Dwt	576	710	791

* Includes vessels over 10,000 dwt only. Sales of bulk vessels under 10,000 dwt and of non-bulk vessels are included in "Other Sales".

ALL DATA AND INFORMATION IN THIS REPORT ARE AS REPORTED UP TO NOON ON THE DATE OF PUBLICATION

Recent Ship Sales by Vessel Type

Vessel Type		Vessel name	Dwt/Unit	Blt.	Yard	Date	Price \$m.	Buyers
Tanker	D/Hull	Cape Baker	164,274	2002	Hyundai Samho	10-Oct	undisclosed	Clients of Tsakos
Tanker	S/Skin	Titan Neptune	265,322	1988	Hyundai H.I.	12-Sep	35	Malaysian interests
TankChem	IMO II	Bro Jupiter	14,369	1999	Qiuxin Shipyard	09-Oct	21.5	Chilean Interests
TankChem	IMO III	San Nicola	6,506	1995	Fukuoka S.B.	08-Oct	9	Undisclosed interests
TankChem	IMO II	Woo Young	6,693	1996	Shin Young S.B.	02-Oct	undisclosed	Undisclosed interests
TankChem	D/Bottom	Fair Mike	8,018	1980	Shin Yamamoto	01-Oct	undisclosed	Undisclosed interests
TankChem	IMO II/III	Sun Daisy	7,569	1985	Taihei Kogyo	24-Sep	3	Clients of Wilmar
TankChem	IMO II/III	Keoyoung Chemi	1,249	1985	Shitanoe Zosen	22-Sep	0.7	Undisclosed interests
TankChem	IMO III	Gagarmayang*	40,354	2004	Hyundai Mipo	19-Sep	12yrsBBB@\$15100	52 Norwegian interests
TankChem	IMO II/III	Pramoni*	19,999	2008	Shin Kurushima	19-Sep	12yrsBBB@\$15100	52 # Norwegian interests
TankChem	IMO III	Siteam Tiger	44,987	1985	Boelwerf	19-Sep	10	Clients of Bakri Navigation
TankChem	IMO III	Universe	10,733	1983	Asakawa S.B.	18-Sep	3.9	Undisclosed interests
TankChem	IMO II	Sichem Beijing	13,000	2007	21c S.B. Co.	18-Sep	28	Undisclosed interests
TankChem	IMO II	Pan Adventure	6,221	2008	Selay Shipyard	15-Sep	23	Undisclosed interests
Ro-Ro	1,040 m.lane	Baltic Print	4,550	1979	Karlskrona SB	06-Oct	3.5	Undisclosed interests
Reefer	152,884 cu.ft	Tukanas	3,919	1982	Guangzhou S.Y. Int.	12-Sep	2.8	Clients of J Marr
Offshore	AHTS	Maersk Mahone	2,170	1983	Guangzhou S.Y. Int.	02-Oct	16	Clients of Rolf Berg
Gas C'rier	3,527 cu.m	Gas Eva	3,500	1999	Shitanoe Zosen	19-Sep	3yrBB with P/Ob	10 Chinese interests
Gas C'rier	6,540 cu.m	Gas Amazon	5,105	1992	Shin Kurushima	12-Sep	11	Undisclosed interests
Dry MPP	100 teu.	Gokche	3,592	1982	Narasaki S.B.	02-Oct	undisclosed	Undisclosed interests
Dry MPP	142 teu.	Koralle	2,296	1985	Krupp Ruhrorter	02-Oct	undisclosed	Undisclosed interests
Dry MPP	215 teu.	Shemut	6,446	1985	Nieuwe Noord	01-Oct	undisclosed	Undisclosed interests
Dry MPP	387 teu.	Doris	4,750	1997	ENVC	24-Sep	10.7	Undisclosed interests
Dry Genl	136 teu.	Elwood	2,730	1978	Balenciaga S.A.	02-Oct	undisclosed	Undisclosed interests
Dry Genl	158 teu.	Jumper	2,999	1990	Damen Shipyards	02-Oct	undisclosed	Undisclosed interests
Dry Genl	162 teu.	Chronis	3,542	1981	Ast. Atlantico	02-Oct	undisclosed	Turkish interests
Dry Genl	2x25t cr.	Astrid	5,400	1986	Hakata Zosen	01-Oct	undisclosed	South Korean interests
Dry Genl	4,345 gr.cap	Pallas Ocean	3,990	1986	Nieuwe Noord	01-Oct	undisclosed	Swedish interests
Dry Genl	2,271 gr.cap	Nordking	1,472	1976	Tokushima Zosen	30-Sep	undisclosed	Undisclosed interests
Dry Genl	2x30t dr.	BJ King	7,032	1990	Shin Kurushima	24-Sep	dely OCT/08	9.5 Undisclosed interests
Dry Genl	42 teu.	Green Pine	3,861	1983	Tokushima Zosen	22-Sep	2.5	Far Eastern interests
Cruise	258 pass.	Coco Explorer 2	1,871	1968	Union Naval	03-Oct	undisclosed	Clients of ECT
Container	560 teu.	Islet Ace	8,200	1997	Watanabe Zosen	29-Sep	14.5	Clients of Vosco
Container	918 teu.	CS Signe	10,832	1987	Verolme Schpsw.	26-Sep	undisclosed	Clients of Hat Marine
Container	566 teu.	Grandeur	8,515	1998	Murakami Hide	26-Sep	13.9	Clients of Vosco
Container	1,923 teu.	MSC Zanzibar*	33,860	1985	Hyundai H.I.	23-Sep	261.7	Clients of Conbulk
Container	2,816 teu.	MSC Bali*	30,298	1980	Mitsubishi H.I.	23-Sep	#	Clients of Conbulk
Container	1,295 teu.	Kuo Fu*	18,595	1995	CSBC	23-Sep	#	Clients of Conbulk
Container	1,471 teu.	Kuo Tai*	18,586	1995	CSBC	23-Sep	#	Clients of Conbulk
Container	1,367 teu.	Kuo Hung*	18,585	1997	CSBC	23-Sep	#	Clients of Conbulk
Container	1,367 teu.	Kuo Lung*	18,581	1998	CSBC	23-Sep	#	Clients of Conbulk
Container	3,074 teu.	MSC Sardinia*	43,270	1986	Daewoo SB	23-Sep	#	Clients of Conbulk
Container	3,074 teu.	MSC Brasilia*	43,270	1986	Daewoo SB	23-Sep	#	Clients of Conbulk
Container	3,074 teu.	MSC London*	43,270	1986	Daewoo SB	23-Sep	#	Clients of Conbulk
Container	1,625 teu.	CCNI Mejillones*	24,370	1995	Imabari S.B.	23-Sep	#	Clients of Conbulk
Container	1,216 teu.	Aglaia*	15,315	2001	Hanjin H.I.	17-Sep	incTC@\$19500	27.75 Clients of Lantau
Container	1,216 teu.	Amalthea*	15,315	2001	Hanjin H.I.	17-Sep	incTC@\$20750	27.75 # Clients of Lantau
Container	1,005 teu.	MCC Akari	17,700	1999	Iwagi Zosen	15-Sep	APR09TC@\$14200	21 US interests
Cement C'rier	4x20t dr.	Morning Sea Gull	9,704	1986	Honda Zosen K.K	08-Oct	9.5	Clients of Seabulk
Bulk	4x25t cr.	Goldmar	39,697	1984	Imabari S.B.	10-Oct	15.9	Undisclosed interests
Bulk	Str. Hvy.	Great Pescadores	70,529	1998	Sanoyas	06-Oct	66.6	Undisclosed interests
Bulk	Str. Hvy.	N/B RESALE HULL 3019*	181,000	2011	STX Shipbuild.	02-Oct	186	Clients of Tata Power
Bulk	Str. Hvy.	N/B RESALE HULL 3020*	181,000	2011	STX Shipbuild.	02-Oct	#	Clients of Tata Power
Bulk	4x36t cr.	Victoria I	55,303	2008	Zhejiang Jiantiao	02-Oct	dely NOV/08	63 Undisclosed interests
Bulk	3x20t cr.	Marigold	48,355	1982	Hanjin H.I.	02-Oct	16.2	Clients of Formosa Plastics Co.
Bulk	7,697 gr.cap	Red Moon	6,258	1976	Brodrene Lothe	01-Oct	undisclosed	Turkish interests
Bulk	Str. Ore.	Brussel	41,200	1979	Cockerill Yards	01-Oct	undisclosed	Dubai interests
Bulk	Str. Hvy.	Golden Eclipse	81,000	2009	Zhoushan Jinhaiwan	26-Sep	10yrsBBB@\$21975	65 Clients of Platou Finans
Bulk	4x25t cr.	Carina II	27,544	1977	Sumitomo H.I.	24-Sep	10.5	Syrian interests
Bulk	2x22t cr.	Aruba Pearl	36,249	1983	Imabari S.B.	24-Sep	17	Undisclosed interests
Bulk	4x10t cr.	Cruiser	27,019	1982	A.E.S.A.	19-Sep	11.25	Undisclosed interests
Bulk	Str. Hvy.	Pine Royal	64,005	1977	B. & W.	16-Sep	8.2	Korean interests
Bulk	Str. Ore.	Xin Yun 1	26,929	1984	Garden Reach	15-Sep	15	Undisclosed interests

* En bloc Sales. #En Bloc price shown under first ship of bloc

Bulk Fleet Changes

Bulk Fleet Changes... (No. Vessels ,000dwt)	Oil Tanker Fleet				Bulk Carrier Fleet				Combo Fleet			
	2007		2008 to date		2007		2008 to date		2007		2008 to date	
	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt
Fleet 1st January	4,284	364,514	4,580	385,559	6,366	367,685	6,671	391,687	98	9,369	85	8,157
Changes:												
Deliveries	412	30,207	361	25,076	309	23,615	240	16,309				
Sold For Scrap	75	3,031	60	3,786	13	421	4	183				
Losses	1	10			6	211	2	46				
Misc. Additions	20	1,541	11	481	21	1,277	73	6,793	2	206		
Misc. Removals	60	7,662	67	10,202	6	257	8	274	15	1,419		
Net Change During Year	296	21,045	245	11,568	305	24,002	299	22,599	-13	-1,212		
Fleet End Yr/ Yr to Date	4,580	385,559	4,825	397,127	6,671	391,687	6,970	414,286	85	8,157	85	8,157

Vessels over 10,000 dwt only are included in the analysis in this table. Great Lakes Only vessels are excluded.

Deliveries & Other Additions..

Type	Date	Vessel Name	Flag	Year Built	Dwt	Owner	Shipyard & Yard No.	Contracted Price
Products	Oct'08	Amalthia	PA.	2008	5,500	Medtankers Mngmnt.	Chongqing Dongfen 06-1002	\$m 9.10
Bulk	Oct'08	De Xin Hai	PRC	2008	76,431	COSCO Qingdao	Jiangnan S.Y. H2370	\$m 35.50
Asp.& Bit.	Oct'08	Zhen Zhu Wan	PRC	2008	6,315	China Ocean (COSCO)	Guangzhou Huangpi 2263	
Supply	Oct'08	Mutawa 11	UAE	2008	690	Mutawa Marine Est	Panyu Lingshan S.Y 154	
AHTS	Oct'08	Orion I	SG.	2008	1,500	Jaya Offshore Pte	Guangzhou Hangton 062008	
L.P.G.	Oct'08	Magdalena	H.K.	2008	3,600	Wah Kwong Shpg.	Yamanishi Zosen 1065	
PSV	Oct'08	Campos Carrier	BZ.	2008	4,830	Alfanave	Estaleiro Navship 102	
Chem & Oil	Oct'08	Marida Marguerite	M.I.	2008	13,210	Wolbern Shpg. GmbH	Jinse Shipbldg. Co. JS1011	\$m 23.60
AHTS	Oct'08	Tarpon 2	TV.	2008	1,500	MEP Systems Pte.	CNOOC Bohai S.B. MII0602	
AHTS	Oct'08	Tarpon 1	TV.	2008	1,500	MEP Systems Pte.	CNOOC Bohai S.B. MII0601	
AHTS	Oct'08	Armada Tuah 26	MY.	2008	1,417	Bumi Armada Nav.	Nam Cheong Dock 526	
L.P.G.	Oct'08	Sakura Symphony	PA.	2008	3,147	Kokuka Sangyo Co.	Miura Zosensho 1323	
Chem & Oil	Oct'08	Bashir Safaroglu	MA.	2008	7,008	Palmali Shipping	Krasnoy Sormovo 07003	
Chem & Oil	Oct'08	Petrolimex 14	VN.	2008	13,127	Vietnam Tanker Co.	Sekwang Shipbuildi 106	
Tanker	Oct'08	Jabbar Hashimov	AZ.	2008	12,365	ASCSS	Zelenodolsk 261	
PSV	Oct'08	Bourbon Liberty 107	SG.	2008	1,509	Bourbon Offshore	Dayang S.B. DY807	

Bulk	Oct'08	Tara Kaptanoglu	TU.	1982	18,298	Kaptanoglu Mehmet	Misc.Add.Reclas.	
Bulk	Oct'08	Balikesir	TU.	1981	17,231	Lori Shipping Ltd	Misc.Add.Reclas.	
Products	Oct'08	Agate V	SG.	2007	6,453	Mansel Oil Asia	Misc.Add.Prev.Dely	
Bulk	Oct'08	Estesun	PA.	2006	12,500	Monteverde Navi	Misc.Add.Prev.Excl.	
Bulk	Oct'08	Comet	MA.	1997	10,095	Blumenthal, Johann	Misc.Add.Prev.Excl.	
Bulk	Oct'08	Qinfa 9	H.K.	1990	69,999	Hong Kong Qinfa Shpg	Misc.Add.Conv.In	

Scrapping & Other Removals..

Type	Date	Vessel Name	Flag	Year Built	Dwt	Owner	Breakers	Ldt	Price	
									\$/ldt	\$m.
GC Liner	Oct'08	Hill	LI.	1969	21,060	Aptera Maritime S.A.	India	7,072	505.0	3.57
Container	Oct'08	Sky Interest 1	H.K.	1976	41,587	Unknown Owner	Bangladesh	19,711		
GC Liner	Oct'08	Multi Trader	CY.	1979	18,500	Cyprus Maritime Co.	India	6,482		
Bulk	Oct'08	Axis	SV.	1976	118,741	Overseas Marine	Bangladesh	20,387		
Chem & Oil	Oct'08	Fair Mike	SV.	1980	8,018	Fairdeal Group Mngt.	India	2,575		
Products	Oct'08	Biba Zigi	S.L.	1974	5,485	Unknown Owner	Pakistan			
Reefer	Oct'08	Win E.	PA.	1979	6,208	Win Far Fishery	Bangladesh	4,125		
PCC	Oct'08	Rio Bueno	CH.	1980	11,076	CSAV	India	7,978		
Container	Oct'08	India Lotus	MA.	1981	39,967	Zim Integrated Shpg.	Bangladesh	15,366	535.0	8.22
Container	Oct'08	Meliton	PA.	1981	33,185	Technomar Shpg. Inc.	Bangladesh	12,348	525.0	6.48
MPP	Oct'08	Taylor	TV.	1978	12,665	Vietnam Ocean Shpg.	Bangladesh	5,829		
Tanker	Oct'08	Defender	CS.	1980	81,283	Tomini Ship Mngmt	India	14,698		
Tanker	Oct'08	Leon	SV.	1976	16,540	Olympic Gulf Tankers	Bangladesh	9,748		
Pass/Car F.	Sep'08	Lady Mary Joy 2	PH.	1974	1,631	Aleson Shipping	Bangladesh			
Container	Sep'08	YM Ocean	C.T.	1980	31,208	Yang Ming	Bangladesh	13,784	450.0	6.20
Container	Sep'08	YM Galaxy	LI.	1980	31,265	Yang Ming	Bangladesh	13,566	515.0	6.99

GC Liner	Oct'08	Caribe C	SV.	1982	8,750	Rimorch. Riuniti SpA	Misc.Rem			
Bulk	Oct'08	New Fortune	LI.	1970	47,043	Gulf Marine Services	Misc.Rem			
GCargo	Oct'08	Zeus	KO.	1986	6,707	Shinhan Capital	Loss			
MPP	Oct'08	Eastern Star	SV.	1978	19,755	Austin Navigation S	Loss			
MPP	Oct'08	Terry Uno	PA.	1984	3,050	DT-Bereederungs	Misc.Rem			
GCargo	Oct'08	Inaba Pride	PA.	2000	7,736	Arpeni Pratama Ocean	Misc.Rem			

Timecharter Fixture Record

Latest Tanker Timecharter Fixtures...

Reported	Charterer	Vessel Name	D / C	Year Built	Dwt	Spd	Cons.	Period	Rate \$ per Day	Delivery	
										Date	Place
10-Oct	Palmali	Superlady	D	2000	105528			3 Yrs	\$36,500		
08-Oct	AET	Finaval	D	2009	115000			3 Yrs	\$33,500	Apr 09	Korea
07-Oct	Amptc	Sea Legend	D	2008	112000			2-3 Yrs	\$35,500	Dec 08	South China
07-Oct	Amptc	Alburaq	D	2008	112000			2-3 Yrs	\$35,500	Dec 08	South China
06-Oct	Samsung Logix	Formosa Product Brick	C	2005	70000	15		3 Yrs	\$ 26,000		
30-Sep	PDVSA	High Progress	D	2005	51000	16		3 Mths	\$ 31,500		
30-Sep	PDVSA	Spt Sapphire	D	1994	96174	15.5		6 Mths	\$ 40,000		
29-Sep	PDVSA	Horizon Armonia	D	2008	51000			3 Mths	\$ 30,250		
29-Sep	PDVSA	Indigo Point	D	2007	50921			3 Mths	\$ 30,250		
29-Sep	PDVSA	Seaking	D	2005	318700	15.7		6 Mths	\$ 95,000		
21-Sep	Petrobras	Oklahoma	D	2006	105465	14.8	43.7	3 Yrs	\$ 34,250	Nov 08	Brazil
17-Sep	Petrobras	Torm Loire	D	2004	37278	15		2 Yrs	\$ 21,750		
15-Sep	Todd	MS Sophie	D	2004	37000	15		2 Yrs	\$ 23,250	Feb 09	New Zealand
08-Sep	PDVSA	Marvea	C	2006	40000			1 Yr	\$ 28,450	Sep 08	
08-Sep	PDVSA	Valcadore	C	2008	37000			1 Yr	\$ 27,000	Sep 08	
08-Sep	PDVSA	Kazdanga	C	2007	37290			2 Yrs	\$ 27,500	Sep 08	
04-Sep	IOC	Pedoulas	D	1990	96127	14	39	7 Mths	\$ 35,000	Aug 08	
02-Sep	OSG	Hellespont Trinity	D	1996	148017	14	58	15 Mths	\$ 53,750	Aug 08	
01-Sep	Petrobras	Kandava	C	2007	37290			1 Yr	\$ 22,750	Aug 08	
01-Sep	Stasco	BM Mimosa	D	2007	106000			18 Mths	\$ 39,500		Japan
28-Aug	IOC	Ankleshwar	D	1994	147564	14	56	2 Yrs	\$ 41,000	Aug 08	East Coast India
22-Aug	Petrobras	High Glory	C	2006	47000			3 Yrs	\$ 22,300		
22-Aug	Petrobras	High Power	C	2004	45900	15.7		3 Yrs	\$ 22,000		
22-Aug	Petrobras	Elka Hercules	C	2002	45000	15.5		3 Yrs	\$ 22,250		
22-Aug	Petrobras	Elka Sirius	C	2005	45000	15		3 Yrs	\$ 22,250		
22-Aug	Petrobras	Kandava	C	2007	37290			12 Mths	\$ 22,750		
14-Aug	ICC	Genmar Phoenix	D	1999	153015	15.7		15 Mths	\$ 65,000	Aug 08	Singapore
14-Aug	ICC	Formosapetro Challenger	D	2001	281395	15	79.9	12 Mths	\$ 98,000	Aug 08	Us Gulf

Latest Dry Bulk Timecharter Fixtures...

Reported	Charterer	Vessel Name	Year Built	Dwt	Spd	Cons.	Period	Rate \$ per Day	Delivery	
									Date	Place
09-Oct	PCL	Madonna III	2007	53,390			6-7 Months	\$17,500	15Oct-17Oct	Ravenna
08-Oct	Swiss Marine	Alpha Prudence	2007	177,000			4-6 Months	\$46,000	14Oct-15Oct	Qingdao
07-Oct	Chinese charterer	Lycavitos	2007	58,000			11-13 Months	\$29,000	01Oct	Far East
03-Oct	Armada	F. D. Luigi d'Amato	2006	180,184			19-21 Months	\$45,000	01Oct-15Oct	Shanghai
01-Oct	Swiss Marine	Coal Pride	1999	72,493			3-5 Months	\$22,500	05Oct-10Oct	Bin Qasim
01-Oct	Swiss Marine	Maria A. Angelicoussi	2001	169,150			3 Years	\$45,000	21Oct	Far East
30-Sep	Classic Maritime	Bulk Hong Kong	2006	180,230			10-12 Months	\$55,000	20Oct-30Oct	China
30-Sep	Pacific Bulk	Mineral Monaco	2005	180,263			14-16 Months	\$52,000	01Oct-15Oct	China
26-Sep	Swiss Marine	Navios Fantastiks	2005	180,265			12 Months	\$55,000	05Nov	China
26-Sep	Swiss Marine	Anangel Happiness	2008	177,000			7-8 Months	\$47,500	01Oct	Pohang
26-Sep	Swiss Marine	Xin Fa Hai	2004	174,766			2 Years	\$52,500	01Oct	Tarragona
26-Sep	Korea Line	Mandarin Fortune	2008	57,000			3 Years	\$36,000	01Jan	China
25-Sep	Classic Maritime	Mineral Libin	2006	173,800			9-11 Months	\$85,000	01Nov-10Nov	Rotterdam
25-Sep	Swiss Marine	Mineral China	2003	171,448			4-6 Months	\$61,000	05Oct	China
23-Sep	Daewoo	Amalfi	2000	45,526			4-6 Months	\$36,000	Prompt	Pusan
19-Sep	Mosk	Jean LD	2005	171,908			12 Months	\$100,000	01Dec	World Wide
18-Sep	Classic Maritime	Cyclades	2004	171,480			6-7 Months	\$100,000	25Sep	Far East
18-Sep	GMI	Oriental Sun	1998	72,651			3-5 Months	\$50,000	22Sep-27Sep	Zhangjiagang
18-Sep	Classic Maritime	Jin Tai	2004	173,880			10-12 Months	\$100,000	26Sep-28Sep	Caofeidian
17-Sep	Pacific Bulk	Teng Fei Hai	1995	69,877			3-5 Months	\$48,500	20Sep-24Sep	Huangpu
17-Sep	CNR	Petani	2008	75,228			3-5 Months	\$47,500	18Sep-20Sep	Vizakhapatnam
17-Sep	Classic Maritime	Tian Lu Hai	2005	174,398			8-9 Months	\$105,000	20Sep-25Sep	Skaw
17-Sep	Solym Carriers	Anax	1981	22,560			3-4 Months	\$19,000	29Sep-08Oct	Lisbon
15-Sep	Cosco	Transfield TBN	2009	176,000			10 Years	\$52,000	01Sep	Dalian
15-Sep	Glory Wealth	Transfield TBN	2009	176,000			8 Years	\$57,500	01Jan-01Mar	Namura
15-Sep	Cosco	Transfield TBN	2009	176,000			10 Years	\$52,000	01Jun	Dalian
12-Sep	IHC	Global Alliance	2004	28,000			3-5 Months	\$28,500	25Sep	Skikda

The Timecharter Market

Tanker Timecharter Market

1 Year T/C...		Average Rate \$/day			To Date	Oct 10
		2005	2006	2007	2008	
310,000 Dwt	Modern	58,721	58,308	55,548	77,073	77,500
150,000 Dwt	Modern	43,423	43,173	44,452	47,671	52,500
110,000 Dwt	Modern	35,144	33,154	33,144	36,622	39,000
74,000 Dwt	Modern	31,971	31,144	29,317	28,939	33,000
47-48,000 Dwt	Modern	25,990	27,067	25,904	23,902	23,500
37,000 Dwt	Modern	23,587	24,731	23,269	22,220	22,000
285,000 Dwt	Early '90s	47,635	48,221	42,154	54,098	52,500
140,000 Dwt	Early '90s	35,038	32,462	29,500	30,713	32,250
95,000 Dwt	Early '90s	27,615	23,202	22,404	21,415	22,500

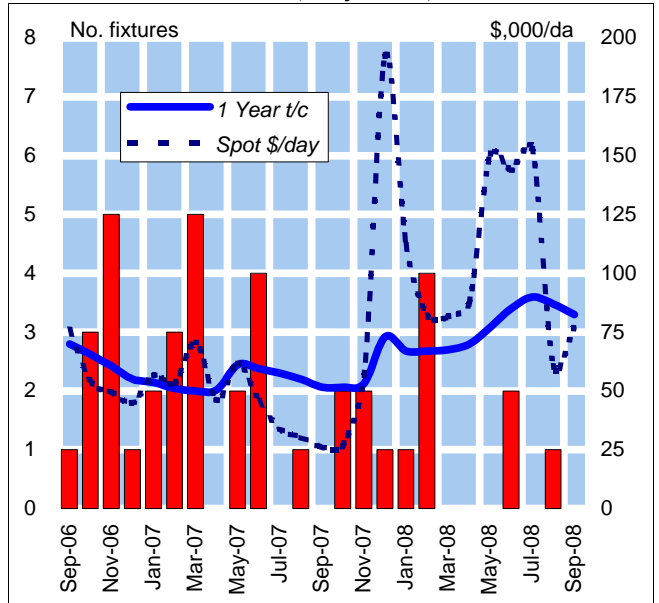
3 Year T/C...		Average Rate \$/day			To Date	Oct 10
		2005	2006	2007	2008	
310,000 Dwt	Modern	47,288	47,279	48,385	60,537	60,000
150,000 Dwt	Modern	35,856	38,087	38,577	41,012	45,000
110,000 Dwt	Modern	28,346	28,635	29,625	31,037	33,500
74,000 Dwt	Modern	26,058	27,096	26,913	26,494	27,500
47-48,000 Dwt	Modern	21,803	22,279	23,288	22,646	22,000
37,000 Dwt	Modern	19,582	20,712	21,317	20,488	20,250

T/C Activity... ...over 1 year		Total Fixtures				To Date 2008
		2004	2005	2006	2007	
VLCC	200,000 +	25	14	29	22	8
Suezmax	120-200,000	13	19	22	16	22
Aframax	80-120,000	51	40	40	34	40
Panamax	60-80,000	9	10	16	11	4
Handy	10-60,000	30	60	70	68	40
Total No. Fixtures		128	143	177	151	114
Total in m. dwt		16.3	14.2	20.2	16.3	12.1

Modern is taken to mean no more than 10 years old.

T/C Activity & The Freight Market

VLCC (early 2000s)



• Tanker timecharter activity this week...

An active tanker timecharter market saw five vessels fixed for periods of over two years. Four Aframaxes were chartered, two by Amptc for two years at a rate of \$35,500/day. Samsung Logix have fixed the 2005 built, 70,000 dwt "Formosa Product Brick" for three years.

Bulk Carrier Timecharter Market

1 Year T/C...		Average Rate \$/day			To Date	Oct 10
		2005	2006	2007	2008	
Capesize	Modern	50,651	45,246	106,918	136,439	29,000
Panamax	Modern	25,853	22,155	52,317	67,091	28,000
Super H'max	Modern	22,288	21,881	45,702	54,762	19,000
Handymax	Modern	19,111	19,432	39,870	46,518	15,000
Handy	Modern	15,918	14,710	28,120	35,177	12,500
Capesize	"CSBC"	42,101	37,624	90,327	109,957	19,500
Capesize *	1980s	23,048	20,529	45,135		
Panamax	1980s	18,228	15,236	40,926	54,811	15,000

3 Year T/C...		Average Rate \$/day			To Date	Oct 10
		2005	2006	2007	2008	
Capesize	Modern	37,673	36,365	75,808	99,105	25,000
Panamax	Modern	19,606	17,736	39,774	52,354	24,000
Super H'Max	Modern	16,716	16,772	33,750	39,616	17,000
Handy	Modern	12,578	12,520	21,863	25,293	11,500
Capesize	"CSBC"	30,385	29,413	63,077	85,451	16,750
Panamax	1980s	12,438	10,101	28,168	34,780	12,000

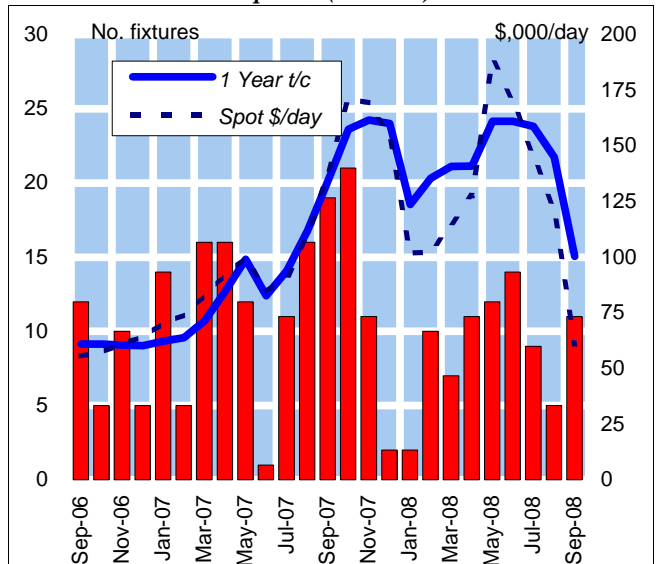
T/C Activity... ...over 1 year		Total Fixtures				To Date 2008
		2004	2005	2006	2007	
Capesize	100,000 +	69	57	111	144	83
Panamax	60-100,000	149	98	183	282	157
Handymax	40-60,000	38	22	74	110	49
Handysize	10-60,000	10	8	9	8	6
Total No. Fixtures		266	185	377	544	295
Total in m. dwt		24.6	18.2	36.1	51.4	28.9

Tanker and bulk carrier T/C activity size ranges reflect existing CRSL ship type definitions.

Modern is taken to mean no more than 10 years old. *Route no longer reported due to lack of liquidity.

T/C Activity & The Freight Market

Capesize (Modern)



• Bulk carrier timecharter activity this week...

It has been an extremely inactive week for period chartering given the continued slide in spot rates. Just one Cape and two Handymax vessels were chartered, none for periods of more than a year.

The Shipbuilding Market

What's Been Ordered...

S	Type	Date	Dwt/Unit		Delivery	Builder	Price	Owner/Manager*
5	Bulk	Oct-08	28,050	37,360	2012	Imabari S.B.		ID Shipping
5	Open Hatch	Oct-08	33,400		2012	Kanasashi H.I.	Ybn	ID Shipping
5	Open Hatch	Oct-08	33,400		2012	Kanasashi H.I.		ID Shipping
5	Products	Oct-08	50,000		Aug 2012	Onomichi Dockyd		Socomar S.R.L.
5	Products	Oct-08	50,000		Sep 2012	Onomichi Dockyd		Socomar S.R.L.
5	Tanker	Oct-08	156,000		Mar 2011	Jiangsu Rongsheng		IMC Shpg. Co.
5	MSV	Oct-08			Dec 2010	MP Shipyard	\$m 51.0	Hallin Marine
5	Standby/Resc.	Oct-08	1,200		Jun 2010	Unknown Yard	\$m 45.0	Sartor Shipping AS
5	Standby/Resc.	Oct-08	1,200		Aug 2010	Unknown Yard	\$m 45.0	Sartor Shipping AS
5	MSV	Oct-08	6,500		Jul 2011	Batamec S.Y.	\$m 149.1	Unknown Owner
5	MSV	Oct-08	6,500		Jul 2011	Batamec S.Y.	\$m 149.1	Otto Industrial
5	Bulk	Oct-08	35,000		2012	SPP Shipbuilding	\$m 40.0	IRISL
5	Ore	Oct-08	335,000		2014	Imabari S.B.		Mitsui O.S.K. Lines
5	Ore	Oct-08	335,000		2014	Imabari S.B.		Mitsui O.S.K. Lines
5	Bulk	Oct-08	80,000		Jan 2011	Hanjin H.I.		Irano-Hind Shpg. Co.
5	Bulk	Oct-08	80,000		Mar 2011	Hanjin H.I.		Irano-Hind Shpg. Co.
5	Chem & Oil	Oct-08	6,000		Nov 2009	Yangzhou Haichuan		PB Tankers S.r.l.
5	Chem & Oil	Oct-08	6,000		Dec 2009	Yangzhou Haichuan		PB Tankers S.r.l.
5	Chem & Oil	Oct-08	6,000		Apr 2010	Yangzhou Haichuan		PB Tankers S.r.l.
5	Ro-Ro/Lo-Lc	Oct-08	5,600	1,150	2010	Bharati S.Y.		Sea-Cargo AS
5	Ro-Ro/Lo-Lc	Oct-08	5,600	1,150	2010	Bharati S.Y.		Sea-Cargo AS
5	GCargo	Sep-08	3,000		Jan 2010	SC Western Shipyard	\$m 10.0	BLRT-UMM Shipping
5	GCargo	Sep-08	3,000		Apr 2010	SC Western Shipyard	\$m 10.0	BLRT-UMM Shipping

S=Status, where: 5=confirmed order, 16=unconfirmed order, 17=option. Other units are: teu for containerhips, cbm for gas vessels, numbers of cars or passengers.

* The Primary Reference Company, as used in the Clarkson Fleet Database i.e. the company with the main commercial responsibility for the ship.

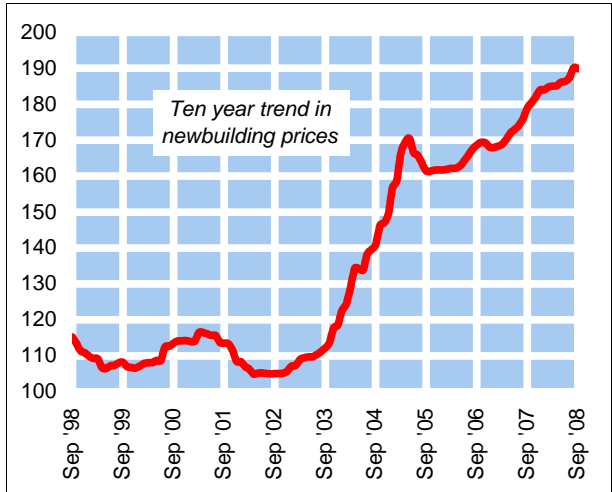
Newbuilding Prices	Year End, \$m.			Three Month		
	2005	2006	2007	Oct	Trend ...	
Tankers						
VLCC 320,000 dwt	120.0	129.0	146.0	162.0	FIRM.....	3.1%
Suezmax 157,000 dwt	71.0	80.5	90.0	99.0	FIRM.....	3.3%
Aframax 115,000 dwt	58.5	65.5	72.5	82.5	FIRMER...	6.0%
Handy 51,000 dwt	43.0	47.0	52.5	52.0	SAME.....	
Bulk Carriers						
Capesize 180,000 dwt	59.0	68.0	97.0	94.5	FIRM.....	0.3%
Panamax 76,000 dwt	36.0	40.0	55.0	52.5	WEAKER..	-2.1%
Handymax 57,000 dwt	30.5	36.5	48.0	47.5	FIRM.....	1.1%
Handysize 35,000 dwt	26.5	29.5	38.0	39.5	FIRM.....	1.7%
Gas Vessels						
LPG 82,000m ³	90.0	92.0	93.0	96.0	FIRM.....	2.7%
LNG 160,000m ³		222.0	237.0	250.0	FIRM.....	0.3%
Dry Cargo						
Container 3,500 teu	48.5	51.0	63.0	66.5	FIRM.....	1.5%
Container 1,100 teu	23.0	22.0	27.5	27.5	SAME.....	
Clarkson Index	162	168	184	189	FIRM.....	1.6%

Shipbuilding News

• There has been no change this week in the newbuilding market as the chaos in the global financial markets continues to undermine confidence and has virtually paralysed activity across the board. Unfortunately, confidence has been further undermined by the dry cargo markets relapsing as the credit squeeze strangles cargo business. As a result, enquiry is pretty much suspended until money and confidence return to the markets. At the same time, a number of yards remain very much open for business and are becoming much less convincing when trying to hide their anxiety!

Newbuilding Activity	Vessels Contracted			Year-on-Year		
	2005	2006	2007	2008	Trend ...	
Oil Tankers	266	575	330	246	WEAK.....	-4%
Chemical & Spec. Tankers	323	588	653	147	WEAKER!!	-71%
Combined Carriers		3	6		WEAKER!!	-100%
LPG Carriers	105	82	67	47	WEAKER..	-10%
LNG Carriers	47	36	25	5	WEAKER!!	-74%
Bulk Carriers	397	638	1855	860	WEAKER!!	-40%
Containerhips	566	480	537	179	WEAKER!!	-57%
General Cargo vessels	360	390	336	212	WEAKER!!	-19%
Ro-Ro Vessels	95	84	138	73	WEAKER!!	-32%
Refrigerated Vessels	7	4	9	8	FIRMER...	14%
Offshore Vessels	299	571	520	128	WEAKER!!	-68%
FPSO/FSU	9	5	8	2	WEAKER!!	-68%
Passenger & Cruise Ships	56	40	49	19	WEAKER!!	-50%
Other Misc. Vessels	288	254	151	36	WEAKER!!	-69%
TOTAL CONTRACTING	2,818	3,750	4,684	1,962	WEAKER!!	-46%

Newbuilding Price Index



Note: Newbuilding prices vary as to country of build, delivery and ship specification. Prices here are end year/latest and from Jun-08 assume a "European spec", 20/20/20/20% payments and "first class competitive yards" quotations. The 3-month trend is the change of the last 3 months over the previous 3 months.

The Demolition Market

What's Been Scrapped...

Type	Date	Vessel Name	Flag	Blt	Dwt	Ldt	Owner	Buyer	\$/ldt	\$ m.
GC Liner	Oct '08	Hill	LI	1969	21,060	7,072	Aptera Maritime S.A.	India	505.0	3.57
Container	Oct '08	Sky Interest 1	H.K.	1976	41,587	19,711	Unknown Owner	Old sale		
GC Liner	Oct '08	Multi Trader	CY.	1979	18,500	6,482	Cyprus Maritime Co.	Old sale		
Bulk	Oct '08	Axis	SV.	1976	118,741	20,387	Overseas Marine	As is Turkey		
Chem & Oil Products	Oct '08	Fair Mike	SV.	1980	8,018	2,575	Fairdeal Group Mngt.	Old sale		
Reefer	Oct '08	Win E.	PA.	1979	6,208	4,125	Win Far Fishery	Old sale		
PCC	Oct '08	Rio Bueno	CH.	1980	11,076	7,978	CSAV	Private terms		
Container	Oct '08	India Lotus	MA.	1981	39,967	15,366	Zim Integrated Shpg.	Bangladesh	535.0	8.22
Container	Oct '08	Meliton	PA.	1981	33,185	12,348	Technomar Shpg. Inc.	Bangladesh	525.0	6.48
MPP	Oct '08	Taylor	TV.	1978	12,665	5,829	Vietnam Ocean Shpg.	Old sale		
Tanker	Oct '08	Defender	CS.	1980	81,283	14,698	Tomini Ship Mngmt	India		
Tanker	Oct '08	Leon	SV.	1976	16,540	9,748	Olympic Gulf Tankers	Old sale		
Pass/Car F.	Sep '08	Lady Mary Joy 2	PH.	1974	1,631		Aleson Shipping	Old sale		
Container	Sep '08	YM Ocean	C.T.	1980	31,208	13,784	Yang Ming	As is Hong Kong	450.0	6.20
Container	Sep '08	YM Galaxy	LI.	1980	31,265	13,566	Yang Ming	As is Hong Kong	515.0	6.99
Asp.& Bit.	Sep '08	Chahat	PA.	1967	1,630		Prime Tankers	Old sale		
Container	Sep '08	MSC Alice	PA.	1976	38,984	15,463	Mediterranean Shpg.	India	560.0	8.66
L.P.G.	Sep '08	Havglint	NIS	1978	38,535	14,366	BW Gas	Bangladesh	600.0	8.62
Pass/Car F.	Sep '08	Sinaloa Star	ME.	1973	1,210		Baja Ferries	India		
Container	Sep '08	H Reliance	PA.	1972	35,229		Mediterranean Shpg.	India		
GC Liner	Sep '08	Iran Nabuvat	IR.	1977	18,910	8,156	IRISL	India	665.0	5.42
Container	Sep '08	Vinashin Pacific	VN.	1986	16,030	9,200	Vinashin Ocean	Bangladesh		

Scrap Prices...

Year End (\$/ldt)		
2005	2006	2007

This Year	
Latest	%

Tankers	305	410	510	520	2%
Dry Cargo	330	390	470	490	4%

Note: The scrap prices (\$/ldt) are based on Indian prices for VLCC tankers and a Handy dry bulk carrier of around 8,000 ldt.

Buyer Activity ..

Year (m dwt)		
2005	2006	2007

This Year	
2008	%

China	0.4	0.2	0.1	0.0	-43%
India	1.1	1.0	1.4	1.4	24%
Bangladesh	3.6	4.7	2.5	3.8	93%
Pakistan	0.1	0.2	0.6	0.4	-28%
Other	0.3	0.3	0.2	0.2	36%
TOTAL	5.5	6.4	4.8	5.8	52%

Size & Type ..

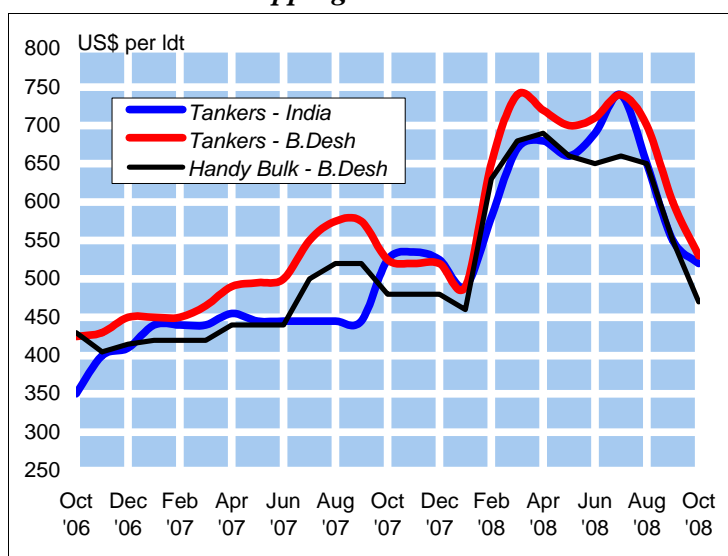
Year (m dwt)		
2005	2006	2007

This Year	
2008	%

Tankers					
VLCC	0.3	-	-	1.3	
Suezmax	0.3	-	-	0.3	
Aframax	1.5	0.9	0.9	0.7	-2%
Handy	1.9	2.0	2.1	1.5	-9%
< 10,000 dwt	0.1	0.1	0.2	0.1	-18%
Total Tankers	4.1	3.1	3.2	3.9	56%
Bulkcarriers					
Capesize	0.2	0.3	-	0.1	
Panamax	0.2	0.5	0.1	-	-100%
Handymax	0.1	0.2	0.1	-	-100%
Handysize	0.4	0.9	0.2	0.1	-53%
Total Bulkers	0.9	1.8	0.4	0.2	-37%
Combos	-	0.3	-	-	
Gas Vessels	0.1	0.1	0.5	0.5	22%
Other Dry	0.3	1.0	0.8	1.2	98%
TOTAL	5.5	6.4	4.8	5.8	52%

* The % change is based on annualised figures for this year against last year.

Scrapping Price Trends



Demolition Market News and Gossip

- The demolition market is still on a downward track, with the outlook for the future still sufficiently bleak that many 'as-is' deals are being negotiated at lower levels by the time they reach the sub-continent. In this atmosphere, the confidence of ship-recyclers is so absent that most are simply choosing not to buy for fear of massive losses. But at the same time, the interest in scrapping from owners of old ships is increasing and this reversal of the supply-demand balance from the situation which has prevailed for the last nine months shows little sign of halting in the short term.
- The scrap market has been affected by the Eid festivities taking place in the sub-continent. Furthermore, the financial crisis now means that banks are requiring significantly more stringent conditions for the granting of letters of credit. This is likely to cause problems for some yards with tighter cashflow.
- The 1976 built 118,741 dwt "AXIS" has become the first Capesize vessel to be demolished since May 2006.

Economic Indicators

GDP Growth & Forecasts*

	Germ	U.K.	USA	Japan	Euro Area	World
2005	0.8%	1.8%	3.1%	1.9%	1.5%	4.8%
2006	2.9%	2.8%	2.9%	2.2%	2.8%	5.4%
2007	2.4%	3.1%	1.9%	2.0%	2.5%	5.2%
4Q07	1.8%	2.8%	2.5%	2.0%	2.2%	
1Q08	2.6%	2.5%	2.5%	1.3%	2.1%	
2Q08	1.7%	1.4%	2.2%	1.0%	1.4%	
2008 (f)	1.8%	1.2%	1.6%	1.0%	1.3%	4.1%
2009 (f)	1.1%	0.6%	1.3%	0.9%	0.9%	3.9%

Industrial Production*: OECD

end:	Germ	U.K.	USA	Japan	Euro Area	OECD
2005	3.4%	-2.7%	2.8%	3.8%	1.1%	2.1%
2006	6.1%	-0.3%	1.9%	0.8%	2.1%	1.8%
2007	4.4%	0.7%	1.5%	0.8%	1.1%	1.2%
Jun '08	1.6%	-1.6%	0.3%	0.0%	-1.2%	-0.5%
Jul '08	-0.6%	-1.9%	-0.1%	2.0%	-1.7%	-0.6%
Aug '08	1.7%	-2.3%	-1.5%	-6.9%		

Industrial Production*: Asia

end:	R.o K.	China	Taiwan	Thailand	Malay.	India
2005	16.5%	11.3%	9.5%	6.1%	4.2%	5.0%
2006	2.3%	14.7%	-1.7%	7.0%	6.3%	11.1%
2007	12.4%	17.4%	10.7%	11.6%	5.9%	7.6%
Jun '08	6.7%	16.0%	5.1%	11.2%	1.5%	5.4%
Jul '08	9.1%	14.7%	1.1%	10.9%	1.8%	7.1%
Aug '08	1.9%	12.8%	0.4%	7.9%	0.0%	

Ind. Production*: E.Europe & S. America

end:	Russia	Czech.	Hung.	Poland	Arge.	Brazil
2005	4.6%	7.1%	12.9%	9.2%	7.9%	3.2%
2006	1.9%	3.0%	14.0%	5.7%	8.9%	2.8%
2007	6.5%	2.9%	5.3%	6.2%	10.0%	6.4%
Jun '08	0.9%	2.2%	-0.3%	7.2%	6.1%	6.6%
Jul '08	3.2%	6.7%	0.6%	5.6%	5.1%	8.5%
Aug '08	4.7%	0.0%	0.0%	-3.7%	4.2%	0.0%

Currency Trends Spot ~ & Forward# ...

end:	Euro	U.K.	Japan	Switz.	N'way	China
2005	1.18	1.73	117.77	1.32	6.77	8.07
2006	1.32	1.96	119.05	1.22	6.27	7.81
2007	1.46	1.99	114.15	1.14	5.47	7.30
Jul	1.58	1.99	106.69	1.03	5.11	7.16
Aug	1.51	1.90	108.98	1.08	5.28	7.07
Sep	1.43	1.80	106.47	1.11	5.71	7.00
10-Oct	1.37	1.72	100.67	1.13	6.15	6.82
3mo.#	1.37	1.72	99.44	#Forward Rates as of: 10-Oct		
12mo.#	1.36	1.70	98.02			

end:	R.o K.	H.Kong	Sing.	SDR	India	Australia
2005	1,010.50	7.75	1.66	1.43	45.16	1.37
2006	909.09	7.77	1.54	1.50	44.50	1.27
2007	940.60	7.80	1.45	1.57	39.42	1.14
Jul	1,016.91	7.80	1.36	1.63	42.81	1.04
Aug	1,040.97	7.81	1.40	1.59	42.99	1.12
Sep	1,137.69	7.79	1.43	1.55	45.64	1.23
10-Oct	1,381.70	7.76	1.47	1.53	48.01	1.42

*% change year-on-year. Source: IMF, OECD, The Economist. ~Currency units per US\$ except £, Euro and SDR. #Forward Rates: The FT.

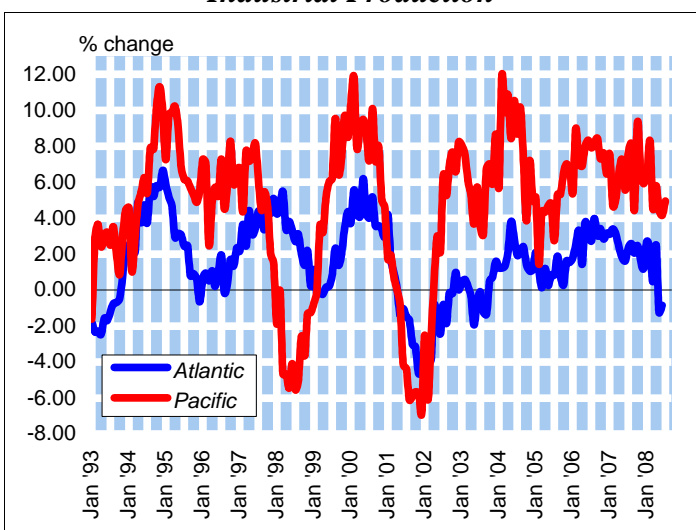
Interest Rate Trends ...

avg:	Prime Lending Rates:					
	Euro	U.K.	Switz.	Japan	U.S.A.	\$ Libor 6 mths.
2005	2.3%	5.5%	2.4%	1.4%	7.3%	4.7%
2006	3.5%	6.0%	3.8%	1.6%	8.3%	5.4%
2007	4.0%	6.5%	3.9%	1.9%	7.3%	4.4%
Jul	4.3%	6.0%	3.8%	1.9%	5.0%	3.1%
Aug	4.3%	6.0%	3.9%	1.9%	5.0%	3.1%
Sep	4.3%	6.0%	3.8%	1.9%	5.0%	3.4%
10-Oct	3.8%	5.5%	3.8%	1.9%	4.5%	4.4%

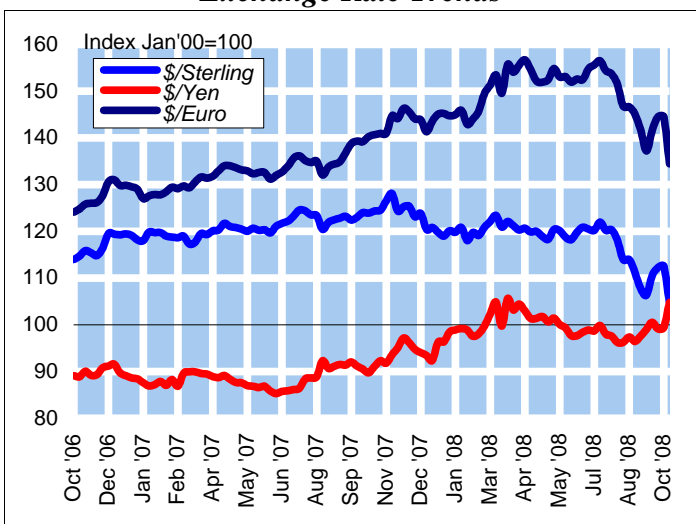
- In its latest World Economic Outlook, the IMF has slashed its forecast 2009 global GDP growth from its previous estimate of 3.8% to just 3%. The IMF is now predicting that the US and the Euro area will see growth of just 0.1% and 0.2% respectively.

- In a co-ordinated response to the crisis, the Federal Reserve, the ECB and the central banks of the UK, Sweden, Switzerland and Canada cut their benchmark interest rates by 50 basis points. China's central bank also cut its main lending rate by 29 basis points, its second cut in a month, and although the Japanese central bank left its rate unchanged at 0.5%, it issued a statement supporting measures to stimulate global demand. Governments have also pledged increasing investments, with the US now implementing its \$700 billion bailout, the UK government committing £500 billion to a rescue pot and several EU governments pledging to safeguard retail deposits.

Industrial Production



Exchange Rate Trends



Inflation & Prices ...

avg:	Consumer Prices				Crude Oil Brent	Grain Wheat USG	Steel Ship Plate Japan
	Eur	USA	Japan	OECD			
2005	2.2%	3.4%	-0.1%	2.8%	40.11	160	625
2006	2.3%	2.5%	0.3%	2.7%	56.35	169	700
2007	3.1%	4.3%	0.7%	2.3%	62.41	216	600
Jul	4.7%	5.6%	2.3%	4.7%	137.19	342	1,250
Aug	4.6%	5.4%	2.1%	4.6%	116.93	343	1,250
Sep					101.10	297	1,350
Latest					96.20	264	1,350

Ship Demand Trends

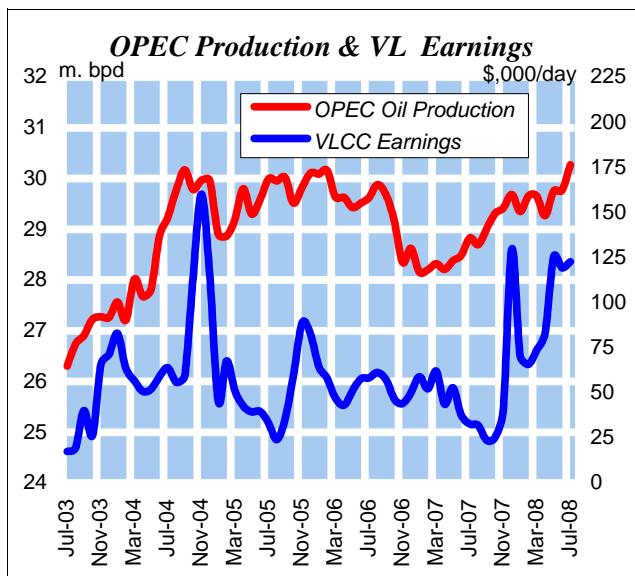
Oil Tanker Demand	in million barrels per day				% Chg
	2005	2006	2007	2008	2008/07
Oil Production					
World	82.8	83.1	83.1	84.8	2.0%
N. America	7.6	7.8	7.8	7.7	-0.8%
W. Europe	4.7	4.3	4.1	4.0	-2.2%
FSU	10.7	9.4	9.6	9.5	-1.2%
OPEC	29.6	29.5	28.7	29.7	3.3%
Crude Oil	4.5	5.0	4.9	5.0	0.3%
NGL's/Cond.					

VLCC Demand	in million barrels per day				% Chg
	2005	2006	2007	2008	2008/07
Middle-East Output*	23.1	22.7	22.2	23.2	4.3%
Less: Red Sea export	0.3	0.3	0.3	0.3	0.0%
E.Med export	0.7	0.8	0.9	1.0	11.2%
Refinery T'put	5.9	6.2	6.3	6.3	0.0%
Gulf Crude Exports	16.1	15.4	14.7	15.6	5.8%

Crude Oil Trade	in million barrels per day				% Chg
	2005	2006	2007	2008	2008/07
Imports: USA	10.1	10.2	10.0	9.8	-1.9%
Eur-4	7.0	6.9	6.4	6.5	2.4%
Japan	4.2	4.2	4.1	4.6	11.6%
Total Imports	21.3	21.2	20.4	20.9	2.1%

Products Trade	in million tonnes				% Chg
	2005	2006	2007	2008	2008/07
Imports: USA	3.5	3.6	3.4	3.2	-8.0%
Eur-4	2.2	2.3	2.0	2.2	10.0%
Japan	0.6	0.6	0.6	0.5	-6.6%
Total Imports	6.3	6.6	6.0	5.9	-1.8%

World Total includes NGL's; *Mid-E output is sum of OPEC and non-OPEC crude production.
Oil production data sourced from IEA. 2007 data are latest year-to-date figures.



Major Oil Trades News:

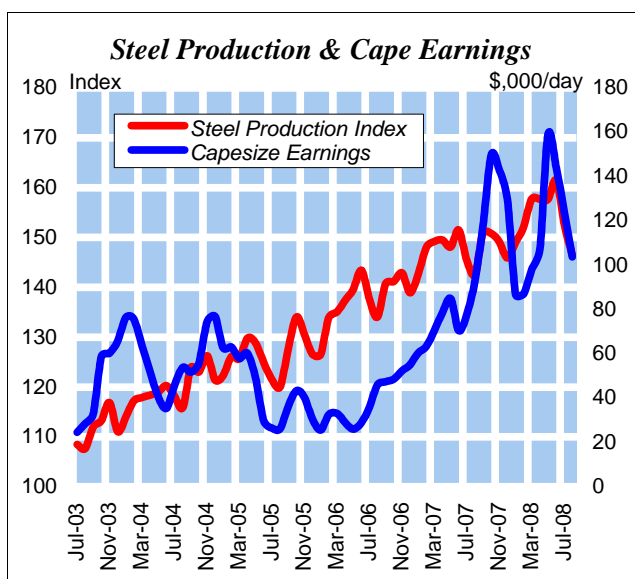
- Fears of a global recession continue to outweigh supply disruptions and push oil prices down. It is estimated that half of the capacity in the Gulf of Mexico remains shuttered in following Hurricane Ike. November Nymex crude futures settled at \$85.59 per barrel on the 9th of October, down \$7.38 on the week. In a surprise move, OPEC will convene on the 18th of November for an extraordinary meeting. It is currently expected that output will be cut.

Dry Bulk Demand	in million tonnes				% Chg
	2005	2006	2007	2008	2008/07
Steel Prod.					
Japan	112.5	116.2	120.2	123.8	3.0%
S.Korea	47.7	48.5	51.2	55.9	9.1%
P.R. China	348.1	421.5	487.3	537.3	10.3%
EU-12	144.9	152.9	156.6	158.7	1.4%
Total Steel Prod.	653.1	739.1	815.2	875.7	7.4%

Iron Ore Trade	in million tonnes				% Chg
	2005	2006	2007	2008	2008/07
Imports: Japan	132.3	134.3	139.0	141.3	1.7%
S.Korea	43.5	43.9	46.2	49.8	7.8%
China	273.5	326.3	383.7	454.6	18.5%
Total Imports:	449.2	504.5	568.8	645.7	13.5%
Exports: Australia	241.9	504.5	266.9	255.3	-4.4%

Coal Trade	in million tonnes				% Chg
	2005	2006	2007	2008	2008/07
Imports: Japan	180.7	177.0	186.1	195.0	4.8%
S.Korea	74.4	75.1	83.4	95.3	14.2%
EU-25*	182.7	200.7	211.1	199.6	-5.4%
Total Imports:	437.9	452.9	480.6	489.9	1.9%
Exports: Australia	233.7	238.6	250.4	255.3	2.0%
USA	28.1	25.6	36.5	49.1	34.4%
Canada	26.5	26.1	29.2	31.8	9.1%
South Africa	70.4	68.1	66.8	61.2	-8.4%
Total Exports:	358.7	358.5	382.9	397.4	3.8%

Grain Trade	in million tonnes				% Chg
	2005	2006	2007	2008	2008/07
Exports: USA (ex soya)	77.5	86.3	98.2	98.8	0.6%
Canada	18.1	22.5	22.3	20.8	-6.8%
Australia	18.6	20.6	9.2	13.4	46.9%
Arg. (ex soya)	24.9	20.4	26.7	26.0	-2.6%
EU-25*	17.6	18.7	16.5	17.0	2.6%
Total Exports	156.7	168.5	172.9	176.0	1.8%



Major Dry Bulk Trades News:

- Rapidly decreasing Chinese steel demand has led to reduced demand for iron ore imports. Some Chinese steel mills are rumoured to have asked for shipments from Brazil and Australia under contracts of affreightment to be delayed. Others are considering cutting production given high steel inventories.
- Due to the falling freight market and declining iron ore spot prices in India, the delivered cost for Indian ore is now below the current Australian contract prices. However, the principal reason for this is the absence of demand which has caused Indian exports to collapse.

2008 data are annualised figures, seasonally adjusted from latest year-to-date figures. *EU 25 to 2006, then EU27.

World Fleets & Orderbooks

Total Cargo Fleet ..m. Dwt	Year End				01-Oct-08		Orderbook & Delivery Schedule					
	2004	2005	2006	2007	No.	m.Dwt	No.	m.Dwt	% Fleet	2008	2009	2010+
OIL TANKERS >10k dwt	299.5	320.2	337.2	356.3	3,515	363.3	1,321	170.3	46.9%	14.8	52.5	102.9
OIL TANKERS <10k dwt	11.0	11.1	11.3	11.5	5,111	11.6	133	0.8	6.6%	0.4	0.2	0.1
CHEMICAL TANKERS	23.9	26.7	29.7	33.7	3,137	37.3	1,023	18.9	50.7%	3.4	7.1	8.5
OTHER TANKERS	3.2	3.3	3.3	3.3	644	3.4	44	0.4	11.6%	0.1	0.1	0.3
BULKERS	322.7	345.3	368.7	392.8	6,958	413.9	3,404	295.7	71.5%	10.9	67.5	217.3
COMBOS	10.2	9.4	8.9	8.2	85	8.2	9	2.8	34.9%	0.0	0.0	2.8
LPG CARRIERS	11.7	11.8	12.5	13.4	1,113	13.4	205	3.4	25.5%	0.6	1.7	1.2
LNG CARRIERS	13.9	15.4	17.5	20.6	284	20.6	104	9.1	44.3%	2.4	4.0	2.7
CONTAINERSHIPS	99.6	111.5	128.0	144.0	4,657	157.4	1,285	75.1	47.7%	7.0	22.0	46.2
MULTI-PURPOSE	22.4	22.9	23.7	24.7	2,817	25.5	684	8.6	33.9%	1.4	2.7	4.6
GENERAL CARGO	37.8	38.0	38.1	38.6	15,114	38.7	220	1.5	3.8%	0.48	0.48	0.50
RO-RO	10.2	10.2	10.4	10.5	3,539	10.5	123	1.5	14.1%	0.1	0.3	1.1
CAR CARRIERS	7.0	7.6	8.2	9.0	676	9.8	217	3.6	37.1%	0.5	1.2	1.9
REEFERS	7.9	7.9	7.8	7.6	1,992	7.6	20	0.3	3.5%	0.01	0.08	0.17
OFFSHORE (AHTS/PSV)	3.9	4.2	4.6	5.0	3,912	5.2	803	2.0	38.7%	0.67	0.69	0.65
OTHER CARGO	8.9	9.0	9.1	9.0	1,456	9.0	38	0.5	5.5%	0.08	0.14	0.28
WORLD CARGO FLEET	894.0	954.4	1,019.0	1,088.2	55,010	1,135.3	9,633	594.5	52.4%	42.8	160.6	391.1

Tanker Fleet ..m. Dwt	Year End				01-Oct-08		Orderbook & Delivery Schedule					
	2004	2005	2006	2007	No.	m.Dwt	No.	m.Dwt	% Fleet	2008	2009	2010+
VLCC 200,000+	130.6	137.7	142.4	148.3	503	149.2	261	80.8	54.1%	4.2	20.3	56.3
Suezmax 120-200,000	45.3	48.9	52.3	54.7	359	54.5	186	29.2	53.5%	2.0	9.7	17.4
Aframax 80-120,000	62.2	67.6	71.3	76.5	762	78.8	271	29.8	37.8%	4.1	11.1	14.6
Panamax 60-80,000	16.2	18.7	21.3	24.0	357	25.1	132	9.7	38.5%	1.5	3.7	4.5
Small 10-60,000	65.9	70.5	76.0	82.5	2,831	88.5	1169	37.7	42.6%	5.4	14.1	18.1
of which: Specialised >10,000	20.6	23.1	26.0	29.6	1,297	32.9	698	16.9	51.2%	2.5	6.4	8.0
<10,000	17.8	18.3	18.7	19.2	7,595	19.7	502	3.2	16.3%	1.4	1.0	0.8
TOTAL FLEET >10,000	320.2	343.4	363.3	386.0	4,812	396.2	2,019	187.1	47.2%	17.3	58.9	110.9
of which: Single Hull	106.8	100.0	93.9	76.2	1,017	72.3	<i>Increase in size of Tanker Fleet:</i> 2007/2006 6.2% 2008*/2007 2.7% * year to date					
Double Hull	213.4	243.4	269.3	300.2	3,795	324.0						
Combos in Oil	5.3	5.5	4.0	1.2	21	1.6						
Laid-up	0.2	0.4	1.0	0.8	16	0.8						
Storage	3.0	2.8	1.5	1.1	8	0.9						
ACTIVE FLT. >10,000	322.4	345.8	364.9	385.3	4,809	396.1						

Bulk Carrier Fleet ..m. Dwt	Year End				01-Oct-08		Orderbook & Delivery Schedule					
	2004	2005	2006	2007	No.	m.Dwt	No.	m.Dwt	% Fleet	2008	2009	2010+
Capesize 100,000+	102.3	111.0	121.1	131.4	814	141.2	831	154.8	109.6%	2.9	30.5	121.3
Panamax 60-100,000	86.4	93.7	101.8	108.3	1,541	113.2	742	60.2	53.2%	2.7	11.8	45.7
Handymax 40-60,000	61.3	66.9	71.7	77.0	1,682	81.5	941	52.7	64.7%	3.8	16.8	32.1
Handysize 10-40,000	72.7	73.7	74.1	76.1	2,921	78.0	890	28.0	35.9%	1.5	8.4	18.2
TOTAL FLEET	322.7	345.3	368.7	392.8	6,958	413.9	3,404	295.7	71.5%	10.9	67.5	217.3
Combos in Dry	5.4	4.5	5.3	6.7	62	6.3	<i>Increase in size of Bulkcarrrier Fleet:</i> 2007/2006 6.5% 2008*/2007 5.4% * year to date					
Laid-up	0.3	0.4	0.4	0.3	10	0.3						
Storage	0.3	0.3	0.3	0.3	6	0.3						
ACTIVE FLEET	327.5	349.1	373.3	398.9	7,004	419.6						

LPG Carrier Fleet ,000m³	Year End				01-Oct-08		Orderbook & Delivery Schedule					
	2004	2005	2006	2007	No.	,000m³	No.	,000m³	% Fleet	2008	2009	2010+
<5,000 cbm	1,299	1,289	1,326	1,374	624	1,376	65	208	15.1%	80	67	61
5-20,000 cbm	1,816	1,791	1,902	2,028	257	2,170	73	619	28.5%	120	167	332
20-40,000 cbm	1,726	1,800	2,026	2,299	82	2,434	29	774	31.8%	22	478	274
40-60,000 cbm	1,407	1,466	1,466	1,360	23	1,307	5	300	22.9%	120	180	0
>60,000 cbm	8,060	8,125	8,619	8,975	127	10,093	33	2,668	26.4%	397	1,381	890
TOTAL FLEET	14,308	14,470	15,339	16,035	1,113	17,381	205	4,569	26.3%	738	2,273	1,557
TOTAL M. DWT	11.7	11.8	12.5	13.4	1,113	13.4	205	3.42	25.5%	0.58	1.69	1.16

"Oil Tankers" covers vessels in the crude oil & oil products sectors, including tankers with IMO 3 grade specification. "Chemical" includes tankers with IMO 1&2 grade specification. "Specialised" covers IMO 1&2 chemical tankers and other tankers designed for the carriage of specialist liquids..

World Fleets & Orderbooks

LNG Carrier Fleet ,000m³	Year End				01-Oct-08		Orderbook & Delivery Schedule					
	2004	2005	2006	2007	No.	,000m³	No.	,000m³	% Fleet	2008	2009	2010+
<40,000 cbm	260	262	262	252	13	227	10	93	41.2%	12	62	20
40-60,000 cbm	253	253	253	253	4	163	0	0	0.0%	0	0	0
60-100,000 cbm	1,159	1,159	1,233	1,307	18	1,383	0	0	0.0%	0	0	0
>100,000 cbm	18,800	21,374	25,298	30,003	249	36,009	94	16,851	46.8%	4,290	7,485	5,076
TOTAL FLEET	20,472	23,048	27,046	31,815	284	37,781	104	16,944	44.8%	4,302	7,546	5,096
TOTAL M. DWT	13.9	15.4	17.5	20.6	284	20.6	104	9.1	44.3%	2.4	4.0	2.7

Containership Fleet ,000 Teu	Year End				01-Oct-08		Orderbook & Delivery Schedule					
	2004	2005	2006	2007	No.	,000teu	No.	,000teu	% Fleet	2008	2009	2010+
100-999 teu	583.6	622.3	669.7	719.5	1,264	748.5	131	107.9	14.4%	55.3	26.5	26.0
1-1,999 teu	1,320.7	1,380.7	1,481.8	1,640.0	1,239	1,750.3	257	369.8	21.1%	70.7	169.9	129.2
2-2,999 teu	1,315.6	1,434.5	1,587.2	1,696.4	719	1,820.7	136	349.2	19.2%	81.5	97.6	170.1
3,000 &+ teu (Panamax)	1,997.5	2,284.8	2,548.3	2,939.0	808	3,256.6	272	1,141.5	35.1%	115.8	542.8	482.9
3-7,999 teu (Post-Pmax)	1,844.6	2,007.8	2,239.3	2,413.8	439	2,621.9	202	1,192.2	45.5%	140.1	327.8	724.3
8,000 &+ teu (Post-Pmax)	123.6	395.3	943.3	1,353.1	188	1,658.3	287	3,146.1	189.7%	95.2	636.8	2,414.1
TOTAL FLEET	7,185.5	8,125.5	9,469.6	10,761.9	4,657	11,856.2	1,285	6,306.7	53.2%	558.5	1,801.5	3,946.7
TOTAL M. DWT	99.6	111.5	128.0	144.0	4,657	157.4	1,285	75.1	47.7%	7.0	22.0	46.2

Multipurpose Fleet ,000 Teu	Year End				01-Oct-08		Orderbook & Delivery Schedule					
	2004	2005	2006	2007	No.	,000teu	No.	,000teu	% Fleet	2008	2009	2010+
100 - 199 teu	94.3	96.0	98.3	102.3	693	105.5	122	18.2	17.2%	6.9	5.7	5.5
200 - 349 teu	164.8	169.5	175.9	183.1	723	187.9	136	38.2	20.3%	13.9	14.2	10.2
350 - 499 teu	174.9	178.1	185.3	193.3	494	198.4	56	21.4	10.8%	10.7	6.1	4.7
500 - 749 teu	294.5	306.6	323.7	351.7	611	371.7	131	80.1	21.5%	28.4	29.9	21.8
750 - 999 teu	104.0	108.8	115.2	125.7	153	134.9	105	95.6	70.9%	3.6	20.1	71.9
1000 &+ teu	178.0	181.4	184.4	185.7	143	185.7	134	204.8	110.3%	9.2	60.4	135.2
TOTAL FLEET	1,010.4	1,040.4	1,082.7	1,141.9	2,817	1,184.2	684	458.3	38.7%	72.6	136.3	249.3
MPP FLEET M. DWT	22.4	22.9	23.7	24.7	2,817	25.5	684	8.6	33.9%	1.4	2.7	4.6
GC FLEET M. DWT	37.8	38.0	38.1	38.6	15,114	38.7	220	1.46	3.8%	0.48	0.48	0.50

Ro-Ro Vessel Fleet, m. Dwt	Year End				01-Oct-08		Orderbook & Delivery Schedule					
	2004	2005	2006	2007	No.	m.Dwt	No.	m.Dwt	% Fleet	2008	2009	2010+
<2,000 dwt	0.8	0.7	0.8	0.7	2,535	0.7	1	0.0	0.0%	0.00	0.00	0.00
2,000-5,000 dwt	1.3	1.3	1.3	1.2	328	1.2	10	0.0	3.1%	0.02	0.01	0.00
5,000-7,500 dwt	1.5	1.5	1.6	1.6	249	1.6	28	0.2	10.7%	0.02	0.02	0.13
7,500-10,000 dwt	1.1	1.1	1.1	1.1	128	1.1	15	0.1	11.7%	0.03	0.02	0.09
10-15,000 dwt	1.5	1.6	1.7	1.8	147	1.8	42	0.5	27.8%	0.02	0.11	0.37
15,000&+ dwt	4.0	4.0	4.0	4.0	152	4.0	27	0.6	15.8%	0.05	0.12	0.48
TOTAL FLEET	10.2	10.2	10.4	10.5	3,539	10.5	123	1.48	14.1%	0.14	0.27	1.06
CAR CARRIERS	7.0	7.6	8.2	9.0	676	9.8	217	3.62	37.1%	0.51	1.16	1.94

Reefer Vessel Fleet m. ft³	Year End				01-Oct-08		Orderbook & Delivery Schedule					
	2004	2005	2006	2007	No.	m.ft³	No.	m.ft³	% Fleet	2008	2009	2010+
< 100,000 cu ft	17.7	17.4	17.3	17.1	1,078	16.8	0	0.0	0.0%	0.0	0.0	0.0
100-199,999 cu ft	39.2	38.8	38.7	39.3	257	38.9	1	0.2	0.5%	0.2	0.0	0.0
200-299,999 cu ft	52.2	51.9	51.1	51.1	201	50.1	0	0.0	0.0%	0.0	0.0	0.0
300-449,999 cu ft	75.7	74.9	74.1	73.3	182	68.4	0	0.0	0.0%	0.0	0.0	0.0
450-549,999 cu ft	95.2	94.7	94.2	93.7	181	89.4	1	0.5	0.6%	0.5	0.0	0.0
> 550,000 cu ft	56.4	56.4	55.8	57.1	93	57.4	18	11.2	19.6%	0.0	3.7	7.5
TOTAL FLEET	336.4	334.1	331.2	331.5	1,992	321.0	20	11.92	3.7%	0.69	3.70	7.54
TOTAL M. DWT	7.9	7.9	7.8	7.6	1,992	7.6	20	0.26	3.5%	0.01	0.08	0.17

Note: All fleet figures are from the Clarkson Research Ship and Orderbook Databases, expressed in the units indicated. All dwt figures are metric. Annual data are as at year end, monthly data at the beginning of the month. The databases comprise vessels of 100gt and above.

A "Sources & Methods" document which describes the methodology by which Clarkson Research gathers and manipulates the data set out in this report, including the calculation of the time charter equivalent (TCE) earnings for tankers and bulk carriers, is available on our website at www.clarksons.net. Further enquiries may be made to the addresses set out on the back page.

Analysis

Capesize Prices – Steady As She Goes...

Damien Hirst's art collection, sold for £111 million, included the famous *Golden Calf*, a bull with golden horns pickled in formaldehyde. So even pickled things can have values and to prove the point this week we have pickled ship prices. They're on hold until the market decides what Capes with golden horns are really worth.

Banking on the Future

The problem was triggered by a sharp fall in dry bulk rates over recent weeks (see graph). In August we were still reporting healthy earnings of \$100,000/day, but earnings fell to \$22,500/day this week. By the stan-

dards of the 1990s these are not bad rates - until 2003 few Capesizes had ever earned over \$30,000/day and earnings were mostly lower. For example, in October 2000 average earnings were \$23,000/day, falling to a trough of around \$7,800/day in January 2002. But since then the market has been very different, with earnings averaging over \$60,000/day, and over \$100,000/day between April and August this year. So the sharp drop is a shock but not unprecedented – something similar happened in 2005.

Capping of Capesizes

Earnings are one of the most important determinants of prices, and the prosperity of the last five years resulted in higher Capesize prices. The 1990s did not see much movement in prices, the five year-old ship edging down from \$39m in January 1992 to \$30.3m in January 2000, where it still was in January 2003 when the freight boom took hold. Second-hand prices then tracked earnings up, reaching around \$60m in 2005 and peaking at \$155m in July 2008. The relationship between prices and earnings is close and the two series in the graph

have a correlation of 83%.

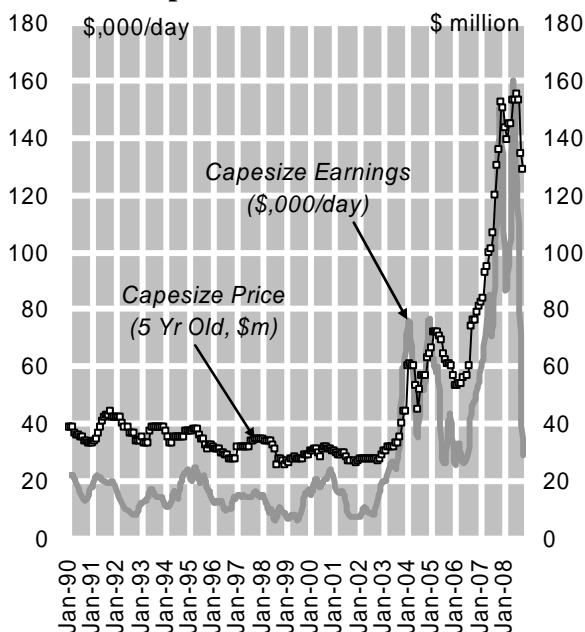
Where Are We Now?

The issue brokers and analysts are struggling with is how asset prices will respond to the sharp fall in freight rates over the last three weeks. Normally prices follow earnings down. For example in 2005 earnings fell to \$26,000/day and that dragged prices down from a then peak of \$72m to a trough of \$53m in January 2006, a 26% fall. But then earnings took off and the rest is history. The problem today is that sales also depend on confidence in both the future and finance. As the depth of the financial crisis has sunk in, both are under pressure and the market is in danger of seizing up, like a Hirst sculpture.

Great Expectations

So there you have it. The S&P market needs to sort out where asset values should be after the extreme cycle of the last 15 months. At the moment that is not clear, and, as result of the extremely turbulent markets, we have taken the decision not to publish a matrix on values this week (we feel the situation is too complex for general values at the moment, although we continue to provide specific valuations). Valuing vessels will no doubt become increasingly difficult if the markets continue to seize up, and in the meantime, maybe Mr Hirst will start a trend for pickling Capesizes?

Capesize Prices Correlated



Source: Clarkson Research Services

Graph of the Week

Shipping Intelligence Weekly, 10 October, 2008

Published by:
Clarkson Research Services Ltd.
St. Magnus House,
3, Lower Thames Street,
London EC3R 6HE, England.
Tel: + (44) (0) 20 7334 3134
Fax: + (44) (0) 20 7522 0330
Telex: 8812927 CLTNKA G

E-mail: sales.crs@clarksons.co.uk
Web-site: <http://www.crs1.com>

Editorial Board:

Managing Director	Martin Stopford
Publisher	Cliff Tyler
Editor	C. Kennedy
Production	D. Poynter
S & P	K. Taylor
Tankers	R. Knight
Specialised	R. Whittet
Gas	J. R. Evans
Dry Cargo	G. Campbell
Freight Derivatives	A. Gray
Singapore	G. Lane
Sydney, Australia	P. M. Quirk

Shipping Intelligence Weekly is published 50 times a year. It reviews the markets for Crude, Products, Specialised and Gas tankers, Bulk carriers, Offshore and Liner vessels as well as the second-hand, new building and demolition markets. It provides details of freight rates, earnings, prices and activity in all these markets; fleet statistics; trade, financial and economic indicators. It is available on subscription at a price of £595/£625 a year (within Europe/outside Europe) including postage.

Whilst care has been taken in the production of this review, no liability can be accepted for any loss incurred in any way whatsoever by any person who may seek to rely on the information contained herein. The information in this report may not be reproduced without the written permission of Clarkson Research Services.