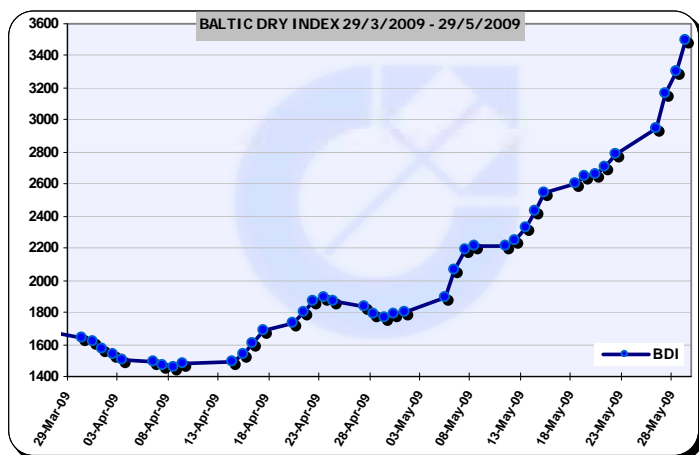


22nd Week - Dry Cargo Market “Highlights”

The Baltic dry index (BDI) reached an **8 months high** (from 3,504 points BDI which was at 29/9/2008) today, its highest level of 2009, closing at nearly 3,500 points last week. Amazingly, this Dry Sector index has continued its daily rise, pushing further up, reaching a very good and desired level. The Baltic Exchange Dry Index (BDI) rose about **25.41%** or **708** points this week, up from 2,786 which was the previous closing on Friday 22nd of May, closing marginally below 3500 points, at **3,494** points on Friday the 29th of May 2009.



The shipping index has managed to post its 22nd consecutive rise this week and the 222 point increase we had on Thursday 27th of May was the largest daily increase since early July 2008. This continuous rally of BDI can be considered at this stage as “just enough to allow room for more optimism in the Dry Market”.

Despite the mixed macroeconomic data received regarding the U.S. GDP which has reduced by 5.7% in the first quarter, the rise of Wall Street was extended shortly before the end of the Friday’s 29th of May meeting.

INDEX	LAST WEEK	THIS WEEK	% CHANGE	POINT DIFF	TREND
S&P500	887,00	919,15	3,62%	32,15	↑
DOW-Ind	8277,32	8500,57	2,70%	223,25	↑
NASDAQ	1692,01	1774,33	4,87%	82,32	↑
FTSE 100	4365,29	4417,94	1,21%	52,65	↑

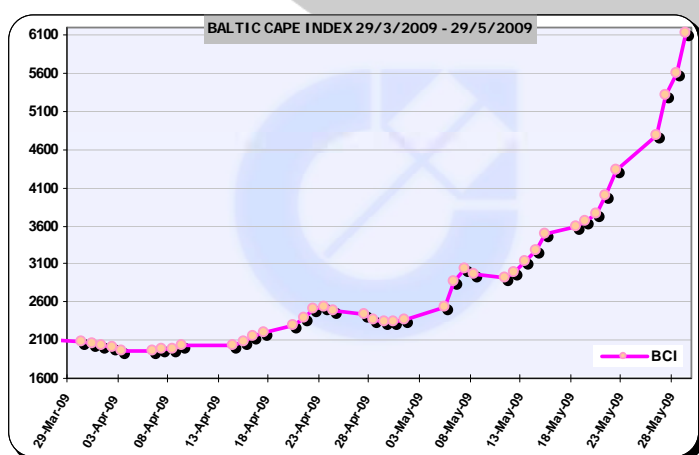
Looking at the economic/financial indicators, we record weekly earnings of **2.7%** for Dow Jones, **4.87%** for NASDAQ and **3.62 %** for S&P 500, while the monthly earnings for Dow stood at **4%**, for S&P 500 at **5.3%** and for NASDAQ **3.3%** increase.

The largest European stock markets were supported further as the increase in industrial production in Japan in combination with the further development of the Indian economy was considered evidence that the worst of the crisis is somehow past us. While in London FTSE 100 increased daily by **0.69%** to 4417.94 points, in Frankfurt DAX 30 gained **0.16%** closing at 4,940.82 points and in Paris CAC 40 went higher by **0.43%** to close at 3277.65 points. The yield on ten-year bonds decreased further on Friday 29th of May by 0.5 basis points to 3.46% while the yield on bonds 2 years moved higher to 0.92%.

The international commodity markets moved up in the last week (and month), taking advantage again of the weakness of the U.S. dollar on all major crosses in the international currency market, as the euro strengthened in the middle of the meeting on Friday the 29th of May in New York to 1.4168 dollars. Light Crude Oil, continued to gain ground and closed at \$66.31 a barrel, with gains of around 1.9% and a daily high of \$66.47 (delivery July) - a new semester high- culminating an impressive May with a profits total which corresponded to the best monthly performance since 1999.

A strong volume of business characterized the Dry Bulk sale and purchase market activity this week despite the holiday period in the Far East markets. A significant number of deals have been reportedly concluded this week with market prices sufficiently improving in the second-hand Market due to the recent “rally” in freight levels. Mostly modern Panamax and Supramax drove the demand in the Market the past week. Price expectations by many sellers were revised upwards, and various ships were being offered at increased levels by 5-10%.

CAPE SIZE MARKET



In the same sentiment the Baltic Cape Index (BCI) increased impressively about **41.03%** or **1,782** points this week. The BCI closed at **6,125** on Friday 29th May 2009, up from 4,343, which was last Friday’s the 22nd of May 09 closing figure. The market has not been at this level since last September of 2008.

Key fundamental is a “Frenetic” stockpiling in China which continues to boost up the market. It is worth noting that it is likely that we will see a decline in the pace of Iron Ore imports soon, maybe to lower levels of 28mil-30mil tonnes on average per month compared with the record of 57mil tonnes of April 2009. Capes congestion hits a record high in China. The number of Capes waiting to berth has increased from 74

last week to 80, with an average waiting time of eight to nine days.

Some Market news we feel we need to mention are: the deal reached between Rio Tinto and the Japanese steel Nippon Group, for a price reduction in the contract price for iron ore fines for the 2009 financial year ranging from 33% up to 44%, while there is no agreement involving Chinese steel mills. Chinese mills apparently are anticipating a rise in domestic steel prices later in the year. On the other hand Morgan Stanley appreciate that *"It is unrealistic to expect a recovery in steel prices and, from the long run, the prices are likely to stay at the level just a little more than the costs"*.

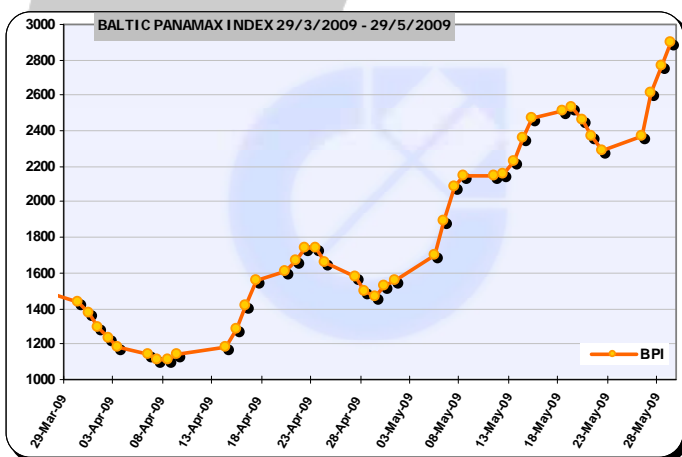
As Capes are the leaders in the Ship Building Industry, any delay in new-buildings deliveries will keep up the freight Market firm in the present levels. More than 200 Capes are due to be delivered in 2009. However, according to our data, only a mere 15% of these have already been delivered.

This Month's Capesize T/C average rate which is calculated by N. Cotzias Shipping Consultants from all T/C fixture data that are reported during the current running month increased by **29.25%**, to **\$39,066** during this week, much improved from \$30,226 which was last week's average. The daily rates, as seen in our separate fixtures report for Capesizes this week, ranged strongly from \$26,500 p/d (M/V **"Maha Anosha"** 171k/09blt / Elcano) up to \$78,000 p/d (M/V **"Bright Century"** 178.7k/97blt / Oldendorff). The high levels that vessels were fixed at this week, indicate a trend that we estimate may be seen sometime in June 2009, Capesize freight levels approaching the magic number of \$100,000 per day.

Regarding the Sales activity of the past week we had a very interesting deal of the M/V **"Mineral Azalea"** 171k/99blt - Koyo Mihara built which was sold for \$46m to TMT, the sale of the M/V **"Trinity Bulk"** 151k/90blt – Sumitomo HI built which was sold for \$20m to Chinese buyers and the sale of the M/V **"CSE Wisdom"** 150k/84blt - CSBS built which was sold for \$10 also to Chinese Buyers.

PANAMAX MARKET

The Baltic Panamax Index (BPI) increased this week and closed on Friday 29th May at **2,900** up by **26.47%** or **607** points higher from 2,293 which was last Friday's 22nd May closing.



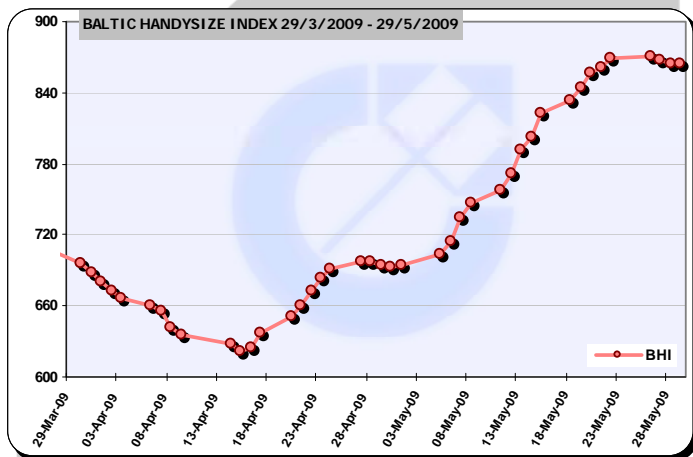
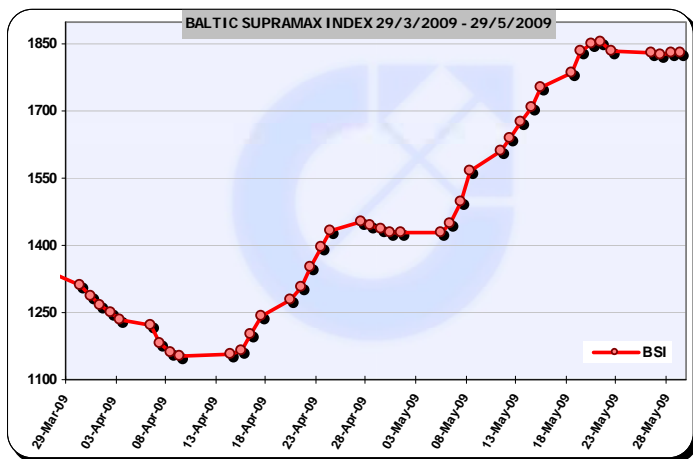
There were still lots of vessels open end May and early June in the panamax sector, but owners are not in a hurry to fix out. There is still a good supply of coal cargoes, mostly from EC Australia and Indonesia. Shortage of tonnage makes Charterers hesitant to proceed with a fixture, accepting a contract once they approach the deadline for nomination.

For this running month the Cotzias calculated Panamax T/C average rate, as expected, went up by **5.17%** this week to **\$17,270** from \$16,420 which was last week's Panamax average. The daily rates as seen in our separate fixtures report for

Panamaxes this week, ranged from \$7,000 (M/V **"Situs Star"** 62.1k/81blt/Armada Singapore) up to \$42,000 (M/V **"Prama Aparna"** 73.5/01blt/ Richstone).

Regarding the Panamax sales activity of the past week we had the following interesting resales: M/V **"Tsuneishi Resale"** 82.6k/2009blt – sold for \$36mil to MBA Michele Bottiglieri Armatore / Italy, the near sister M/V **"Tsuneishi Zhoushan SS-055"** 82.5k/09blt – sold for \$37.8mil to undisclosed Greek Buyers, the M/V **"Star of Kilakara"** 81.2k/09blt – Japan built sold for \$38.5mil to undisclosed Korean Buyers. We also had the secondhand sales of the M/V **"Yi Heng"** 77.8k/76blt – Mitsui built sold for \$6.75mil to Undisclosed Buyers, the M/V **"Queen Lily"** 76.6k/04blt – Japan built sold for \$30.6mil to Undisclosed Buyers, the M/V **"Trafalgar"** 76.4k/01blt – Tsuneishi Zosen built sold for \$28mil to Far Eastern buyers, the M/V **"Loch Lomond"** 75k/02blt – Sanoyas built sold for \$27mil to Da Tong the M/V **"Grand George"** 64.5k/82blt (Stamford Navigation INC / Greece) – Korea built sold for \$3.6mil to Chinese Buyers, the M/V **"Dignity T"** 63.7k/84blt – Hitachi built sold for \$7mil to undisclosed Chinese Buyers, and the the M/V **"Sea Charm"** 61.5k/82blt – Hyundai built sold for \$3.5mil to Undisclosed Buyers.

SUPRAMAX & HANDYMAX MARKET



The Baltic Supramax Index (BSI) closed finally at **1,831** points on Friday 29th May 2009. This represents a decrease of **-0.33%** or **-6** points from the closing of 1,837 points we had last Friday, 22nd May 09.

This Month's Supramax Time Charter Cotzias rate average is calculated at **\$16,847**, a mere **1.57%** up from \$16,587 which was last week's Supramax average.

The daily rates in the fixtures reported this week, for Supramaxes ranged from \$12,000 (for the M/V "*Patriot*" 52k/04 blt/ C.R.N) up to \$36,000 (for the M/V "*Achilleus*" 51k/01 blt/MSA Dubai).

Losses also for the Baltic Handysize index (BHI) which closed on Friday 29th May 2009 at **864** points decreased in total by **-0.58%** or **-5** points up from 869 which was last week's closing figure.

This Month's Handysize Time Charter went down by **-2.39%** to **\$14,770** from \$15,132 which was last week's average. This week's T/C daily rates fixtures for Handy sized vessels ranged from \$7,750 (for the M/V "*Good Hope*" 45.2/84 blt / Shadab) up to \$14,250 (for the M/V "*Arion SB*" 46k/97 blt / SKS).

Regarding the Handies' and Supras' Sales activity of the past week we can report a "quick pick of the week" on the sale of the following vessels: the resale of the M/V "*IHI Resale*" 55.9k/09blt (Mardeniz / Turkey) – IHI Marine built was sold on subjects for \$31.5mil to Byzantine / Greece and the sales of

the M/V "*Moorgate*" 45.8k/90blt (Zodiac Maritime /UK) – Japan built sold for \$11.1mil to Far Eastern Buyers, the M/V "*Abkhazia*" 34.1k/82blt (Sovfracht / Russia) - Japan built sold for \$2.8m to undisclosed buyers and the M/V "*Sealink*" 28.2k/83blt (Thenamaris / Greece) – China built, sold for \$4mil to Undisclosed Buyers- (She was reported sold back in \may 2008 at \$22million, a decrease in price of approximately 80%!

DEMOLITION MARKET

The supply of tonnage for scrap decreased marginally this past week. The total tonnage of the demolition of all ships that have gone for breaking this month is 73 units, and the Bulkers dwt scrapped only for this week was about 132,961 dwt (5 units), with the monthly bulker's demolition average offering price marginally improved this week, at \$232/ldt compared to \$230.24/ldt which was the previous week's figure. The best prices offered this week was for the M/V "*Antigoni B*" sold for \$245/ldt to be broken in the Indian Market and the M/V "*Shipka*" sold for \$240/ldt in the Pakistani Demo Market.

For week 22 we have a very good and substantial number of demolition sales/deals:

Vessel Name	Type	Year	Builder	Current Price	Previous Price	Change	Market	Sellers
MOL THAMES	CONT	1990	JAPAN	59,809	18,688	\$228	INDIA	SELLERS ARE MITSUI OSK LINES JAPAN
MOL FORTUNE	CONT	1986	TSUNEISHI SHIPBUILD	41,513	13,875	\$252	INDIA	SELLERS ARE MITSUI OSK LINES LTD JAPAN
YM PROMINENCE	CONT	1987	CHINA SHIPBUILDING KAOSHIUNG	40,845	16,824	\$245	INDIA	AS IS SRI LANKA FOR DELY INDIA - SELLERS ARE YANG MING MARINE TRANSPORT CHINA
OOCL FAITH	CONT	1987	MITSUBISHI KOBE	40,560	14,731	\$245	CHINA	SELLERS ARE ORIENT OVERSEAS INTERNATIONAL CHINA
MSC ANTWERP	CONT	1976	FLENDER	37,852	16,307	\$232	INDIA	SELLERS ARE COSTAMARE SHIPPING CO SA GREECE
JING HONG HAI	BC	1976	JAPAN	29,324	7,468	\$240	CHINA	SELLERS ARE COSCO CHINA
PAN NOBLE	BC	1977	TSUNEISHI SHIPBUILD	27,307	6,550	\$230	CHINA	SELLERS ARE STX PAN OCEAN CO LTD KOREA
ANTIGONI B	BC	1977	NAMURA IMARI	26,732	6,844	\$245	INDIA	SELLERS ARE AB MARITIME INC GREECE
GOLDEN MERCHANT I	CONT	1982	SPAIN	25,313	9,536	\$238	CHINA	SELLERS ARE STX PAN OCEAN CO LTD KOREA
OCEAN DUKE	BC	1977	HYUNDAI SHIPBUILDIN	24,741	6,537	\$230	CHINA	SELLERS ARE STX PAN OCEAN CO LTD KOREA
MSC JESSICA	CONT	1980	UK	23,991	12,705		INDIA	SELLERS ARE MEDITERRANEAN SHIPPING CO SWISS
SIMA TINA	CONT	1982	FLENSBURGER	20,758	7,088	\$255	INDIA	SELLERS ARE SIMATECH SHIPPING & FORWARDING UAE
GULNAK	MPP	1979	JAPAN	17,179	4,380		INDIA	SELLERS ARE GULNAK DENIZCILIK TURKEY
FUSION 1	MPP	1980	GDR	13,655	6,700		PAKISTAN	SELLERS ARE INTERNATIONAL ASSOCIATED CARGO EGYPT

DISCLAIMER: INFORMATION & DATA CONTAINED IN THIS PUBLISHED MARKET REPORT HAVE BEEN CAREFULLY OBTAINED FROM VARIOUS MARKET SOURCES. ALTHOUGH ALL DATA AND INFORMATION CONTAINED HEREIN ARE BELIEVED TO BE CORRECT, **N. COTZIAS SHIPPING GROUP** MAKES NO GUARANTEE FOR ACCURACY, AND SHALL NOT BE LIABLE FOR ANY LOSS INCURRED IN ANY WAY WHATSOEVER BY ANY PERSON RELYING ON THE INFORMATION FREELY PROVIDED.