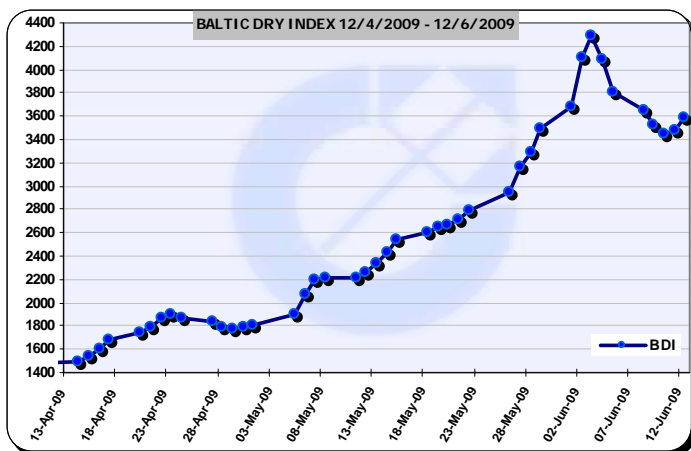


24th Week - Dry Cargo Market "Highlights"

"Stabilization trends" is the key word for the Dry sector developments this week. The Market in all vessel size segments corrected further this week, moving the indices to more "realistic" and somehow "healthy levels". Although there was a serious recovery evident mainly in the major tonnage segments from the second half of the week (Thu/Fri), the Baltic dry index (BDI) closed on Friday the 12th of June 2009 with a negative trend losing about **-5.93%** or **-216** points during this week at **3583** points. The BDI was down from 3,809 which was the previous closing of Friday 5th of June.



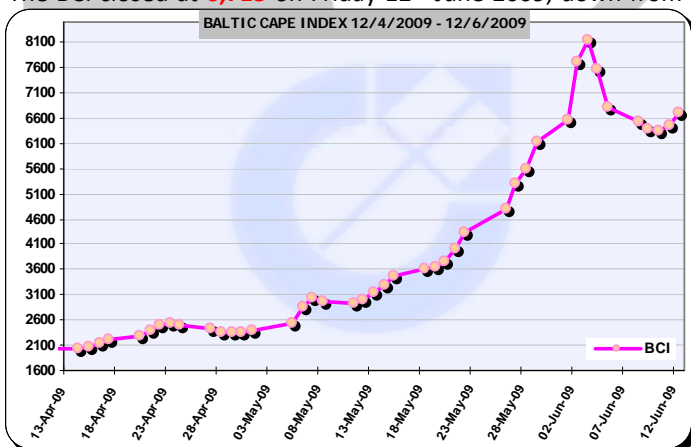
The BDI decline was caused mainly because of the Chinese Iron Ore imports which showed a slow-down from the previous sharp and sudden pace it had gathered. As the congestion at Chinese discharge ports still creates a shortage of tonnage especially in the larger Capes segment and always considering the present increased level of iron ore imports we can conclude that the index could still, despite the corrections, actually overpass or at least remain close to present levels. In the reverse scenario of reduced traffic and low demand for Iron Ore Imports the rates will collapse as sharply as they rose. We don't believe we have seen the highest mark for 2009 at least for the BDI.

Looking into some alarming statistics from the World Steel Association, we see that Global steel output fell by **-24%** per cent in April 2009.

Despite the significant downward correction in the freight market, a positive volume of activity took place in the Dry Bulk sale and purchase market this week. Several deals have been reportedly concluded this week while vessel prices remained at the established increased levels of the previous weeks. We also have a vivid example of true asset playing, of a Handy Size 45k built 1985 that was actually sold 3 months ago at \$5.5mil USD to Sea Star Ships Management Co of China. Now we see that this vessel was sold this week to undisclosed Far Eastern Buyers for a 32% profit in only 3 months, and fetched \$7.25mil USD to SSSM!!!! We have identified mostly modern Panamax and Supramax ships that once more drove the demand in the Market for the past week. It is important to mention that we had a few number of resale deals that were also concluded this week at notable prices.

CAPE SIZE MARKET

In the exactly the same trend with the BDI, the Baltic Cape Index (BCI) in total decreased about **-1.42%** or **-97** points this week. The BCI closed at **6,715** on Friday 12th June 2009, down from 6,818, which was last Friday's the 5th of June 09 closing figure. It seemed to stabilize at mid 6300's points midweek, and then Thu/Fri increased overall by 350 points.



Congestion at China's iron ore discharge terminals is still remaining persistently high for yet another week, with about 85 Capesize vessels waiting to berth. According to preliminary customs statistics that we analyzed it is seen that Chinese imports hit the second-highest monthly import total in May 2009 rising at about 54 Mt of iron ore. (This can be represented as a rise of 37% compared to May 2008 figures).

The first reaction in last week's announcement of the joint venture between the BHP Billiton and Rio Tinto came from Posco and the Korea Iron & Steel Association. "The joint venture may bring forth aggravated oligopoly in the iron ore market though the two miners say they will independently manage marketing and sales functions" the association said in a statement. In a similar climate was the statement of the China Iron and Steel Association. "The joint venture agreement goes in the direction of a monopoly" the association said.

On the other hand the shareholders of the Australian miner OZ Minerals approved Chinese state-owned "China Minmetals Corp." revised \$1.4 billion offer to buy most assets of OZ Minerals. It is more than obvious the targeting/interest of Chinese enterprises to secure access to Iron Ore and other significant natural resources.

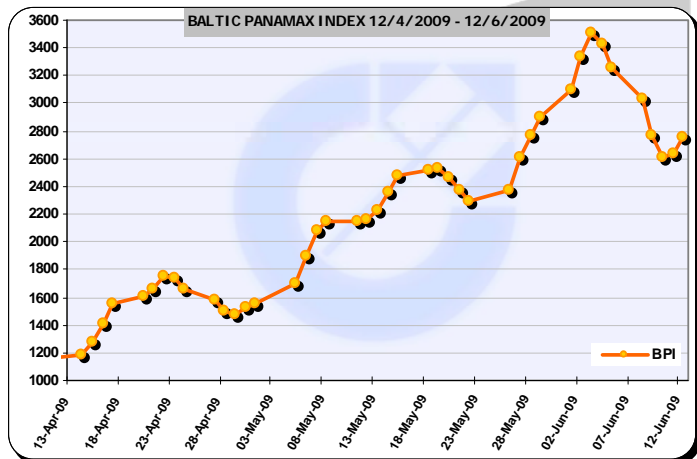
Regarding Iron Ore prices, China through the general secretary of the China Iron and Steel Association (CISA), who is leading China's negotiations, said that "China will not make concessions in the talks" and warn that "China is ready for a breakdown. In case of a short supply of iron ore, Chinese steel producers would rather cut output". China reduced iron ore imports in May at 53.46 million tones, 6% down from a record 57 million tones in April and demanded an over 45% cut in iron ore prices from Australian miners Rio Tinto and BHP Billiton for the 2009/10 term year, rejecting a 33% reduction already accepted by mills in Japan and South Korea.

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 decreased by **-4.14%**, to **\$64,682** during this week, somewhat lower from \$67,472 which was last week's average, but still strong levels to support a good and smooth running for the Capes. The daily rates, as seen in our separate fixtures report for Capesizes this week, ranged strongly from \$39,500 p/d (M/V "Azul Frontier" 177.2K/03blt / BHP Billiton) up to \$66,000 p/d (M/V "Mineral Libin" 173.8k/06blt / BHP Billiton).

Regarding the Sales activity in Capesize segment of the past week we had only the resale of the M/V "SWS Capesize Resale" 177k / 09blt - SWS built which was sold for \$65.0m to Angelicoussis of Greece (Maran).

PANAMAX MARKET

The "big loser" of the last week was the Panamax sector. For this week the Baltic Panamax Index (BPI) despite the recovery of



Thu/Fri ended its weekly on Friday 12th of June at **2,754** down by **-15.31%** or **-498** points lower from 3,252 which was last Friday's 5th of June closing. The drop in panamax rates mostly in the Atlantic basin was an over-reaction due to a wide gap between charterers' and owners' expectations. The charterers were pushing for much lower rates, the owners were and are so far unwilling to match them. In the short term the panamax rates seems more prone to slide further, or even stabilize at the current levels which are acceptable for most Panamax owners.

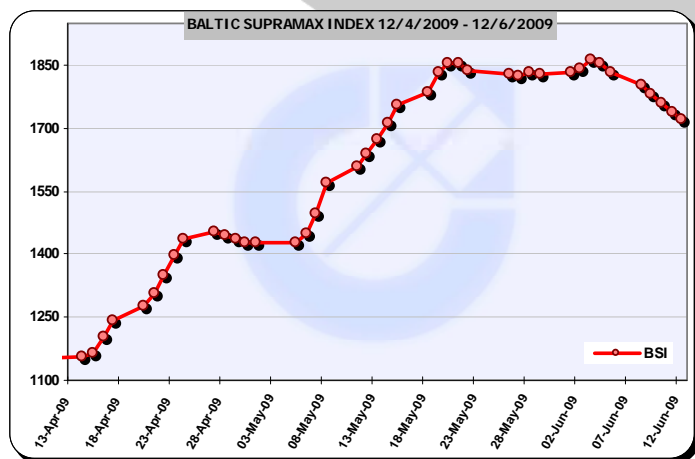
According to BHP Billiton's announcement of last Wednesday which was mainly based on settlements so far with its key customers, the US-dollar prices for metallurgical coal delivered on a "FOB basis" would fall by about 58% in the current

shipping year compared with prices from 2008 shipping year.

For this running month the Cotzias calculated Panamax T/C average rate, as expected, went down by **-4.28%** this week to **\$24,203** from \$25,285 which was last week's Panamax average. The daily rates as seen in our separate fixtures report for Panamaxes this week, ranged from \$6,750 (M/V "Palini" 64.6k/80blt/ Polaris) up to \$39,250 (M/V "Gertrud Salamon" 734/00blt/ Cosco Europe).

Regarding the Panamax sales activity of the past week we had the following interesting resale: M/V "Blystad Resale" 91.8k/2009blt – Japan built sold for \$40.5mil to Undisclosed Buyers. This resale was followed by the sale of the M/V "Bonita" 76.6k/01blt – Imabari built sold for \$25.5mil to Undisclosed Greek buyers, topped by the M/V "Boomerang " 76.4k/04blt – Sumitomo built sold for \$36.0mil to Adelfia Shipping/Greece, the M/V "Torm Tina" 75.9k/01blt – Tsuneishi built sold for a good \$30.0mil to Undisclosed Chinese Buyers, while the M/V "Fortune Ocean" 76.8k/06blt – Sasebo built sold for \$38.8mil to Undisclosed Korean Buyers, the M/V "Belisland" 76.6k/03blt – Imabari built sold in private terms to Undisclosed Buyers. We also have reported the secondhand sales of the M/V "Far Eastern Marina" 73.6k/97blt - Jiangnan built sold for \$17mil to Undisclosed Buyers, the slightly older M/V "Far Eastern Silo" 69.4k/90blt - Imabari built sold for \$12mil to Undisclosed Buyers, the M/V "Maddalena D' Amato " 74k/01blt - Hudong built sold for \$25mil to Ocean Freighters, the M/V "Four Coal" 70k/99blt - Tsuneishi built sold for \$28mil (with TC attached at \$13,150 p/d) to Greek Buyers, the M/V "Jupiter Applause " 70k/97blt - Imabari built sold for \$20mil to Chinese Buyers. An interesting week we can say!

SUPRAMAX & HANDYMAX MARKET



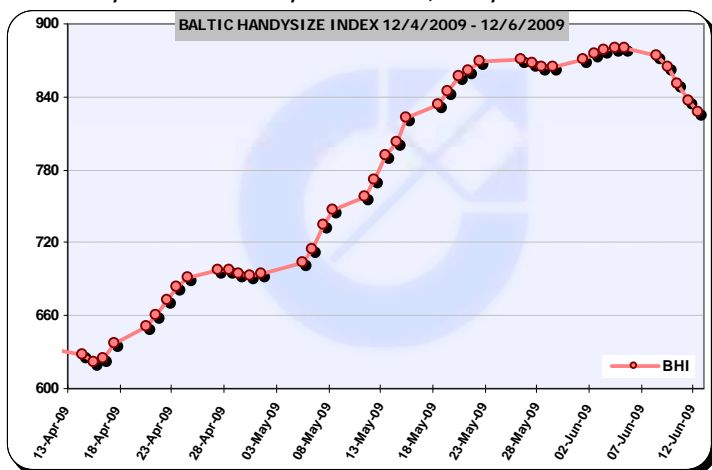
The Baltic Supramax Index (BSI) closed after five consecutive days of losses at **1,722** points on Friday 12th June 2009. This represents a decrease of **-6%** or **-110** points from the closing of 1,832 points we had last Friday, 5th June 09. The "Flatliner" that we had indicated last week showed a short resistance and the Supra Index might level around the 1700-1900 points range.

This Month's Supramax Time Charter Cotzias rate average is calculated at **\$19,357**, a mere **0.18%** up from \$19,322 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 "Ventico B"

61.3k/78 blt/ Undisclosed Charterer) up to \$31,000 (for the M/V **"Fanoula"** 56.5k/08 blt/Allied).

In exactly the same way as the BSI, daily losses also for the Baltic Handysize index (BHI) which closed on Friday 12th June 2009 at **827** points. It has decreased in total by **-6.02%** or **-53** points down from 880 which was last week's closing figure.



This Month's Handysize Time Charter went down by **-0.86%** to **\$16,075** from \$16,214 which was last week's average. This week's T/C daily rates fixtures for Handy sized vessels ranged from \$11,750 (for the M/V **"Krateros"** 43.5k/92 blt / Ultrabulk) up to \$19,000 (for the M/V **"Storm Ranger"** 45.7k/95 blt / Grieg Star Shipping).

Regarding the Handies' and Supras' Sales activity of the past week we can report the sale of the following vessels: the enbloc resale of the M/V **"Glory Wealth Resale 1"** 57k/09blt & the M/V **"Glory Wealth Resale 2"** 57k/10blt – Taizhou Kouan built sold for \$56mil to Wilmar / Singapore, the M/V **"Jin Kang"** 52.5k/03blt – Tsuneishi built sold for \$26.80mil to Shipping Asset Management / Switzerland, the already mentioned in our BDI prologue, sale of the M/V **"NEW Sea Star 6 "** 45.8k/85blt – Hashihama built sold for \$7.25mil to Far Eastern Buyers that was sold as , the M/V **"Syriotissa"** 45.7k/86blt – Brazil built sold for \$2.80mil to Singaporean Buyers ,the M/V **"Cenk Kaptanoglu "** 36.7k/83blt - Korea built sold for \$4.0m to Chinese Buyers, the M/V **"Angel Accord"** 32.4k/03blt – kanda built, sold for \$22.0mil to Undisclosed Buyers and the M/V **"Darin Naree"** 30.8k/84blt– Hashihama built, sold for \$4.2mil to Greek Buyers.

DEMOLITION MARKET

The supply of tonnage for scrap strongly decreased this past week. The best prices offered this week was for the Tween decker M/V **"Aquila"** which was sold for \$262/ldt to be broken in the Indian Market.

Owners are humming the **"Should I stay or should I go"** song during these past two weeks, as the marginal to sometimes significant upward movement of secondhand prices and freight rates has not subsequently led to an increase in the scrap offering price. So it is the case that no owners are really lured by scrap prices to scrap their older tonnage. The slow-down of the scrap deals we have noted since 1/6/2009 is significant and we have seen that more tankers (who are in a seriously more depressed market, RORO and Car Carriers that are nearly sitting in a dead market and Container vessels are the Demo candidates of the past 2-3 weeks! This is logical to think about, but the levels and amounts of vessels that have been removed from the active dry bulk carrying fleet, is still up to this date, enough to possible "hedge" the Dry bulk Market against the possible new building additions that are expected.

For week 24 we have a only very few reported Dry Bulk demolition sales/deals, all other reported and noted Tankers/Roro/Containers vessels scrapped this week, were omitted for this Dry Bulk weekly report:

MINA	BC	1981	UKRAINE	14,550	5,533	\$247	INDIA	
AQUILO	TWEEN	1979	JAPAN	18,186	7,480	\$262	INDIA	

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