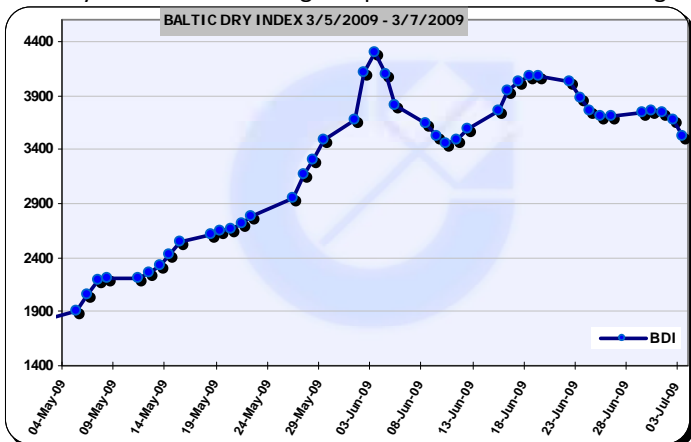


27th Week - Dry Cargo Market “Highlights”

The Dry Bulk Market during the past four weeks has been gradually trying hard to “auto-correct” itself after several months of



continued increase, while ship trade demand keeping still seems to be to be keeping at firm and substantial levels. **The Baltic dry index (BDI)** closed on Friday the 03rd of July 2009, with some further losses of approximately **-4.9%** dropping **-183** points during this current week. The Baltic Dry Index dropped for four consecutive days during this week to close at **3,520** points. The BDI was down from 3,703 which was the previous closing of Friday's the 26th of June.

It seems that recent market moves by some important Shipowners, have given us a new perspective of how we should look into the Shipping business for next month's to come. As included in our monthly report for June 2009, and especially last week, a rather large number of Container Vessel

deals that took place. More or less, 24 container vessels changed hands during June 2009, and 5 of them were purchased by Cyprus Maritime of Andreas Hadjiannis, who forked out \$30mil USD to buy 3 X 3700TEU and 2 X 2700TEU units all built 1992-3. Adding to this deal, we saw that Sami Ofer's Monaco based arm Draften Shipping acquired 6 units from troubled/collapsed Eastwind Group of USA for an undisclosed price, but we trust that they went for a good and fair “Offer” price. Also 4 modern 2008-9 built 1700TEU units of Cido Shipping went to undisclosed German buyers for a very well priced 79mil USD. (These vessels if and when were contracted possibly back in mid 2006 early 2007 must have cost more than 33-36mil usd each). The average age of all 24 Container vessels sold was 13 years with the oldest unit being built in 1983. How do we justify the purchase of Container ships even at discounted/distressed prices especially when the Container markets are suffering? Is it a speculative opportunistic move of cash rich owners taking advantage of the fact that they can afford to keep these units “idle” until the market picks up? Or could it be that these owners have sensed that we have not only touched bottom but we are slowly moving away from that? Could it be that the worst is over? Could it be that they know or feel something that we haven't noted yet? Only time will tell.

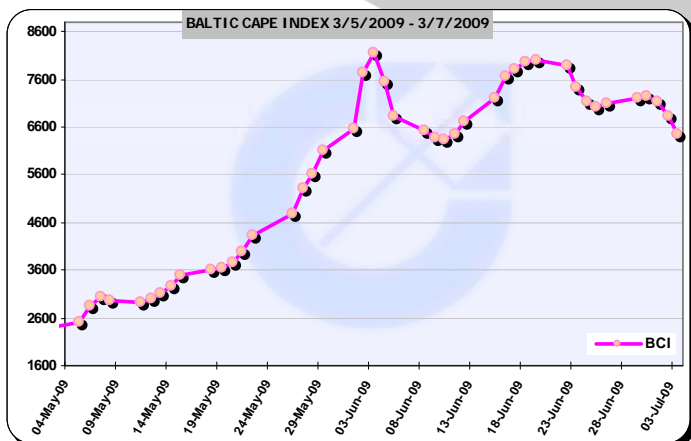
We saw the **dollar** moving stronger against other Euro. This is not all that surprising, as despite the discouraging published US and European negative unemployment record-high figures which gave more grounds for investors to believe that the world economic crisis is still an ongoing one, still many investors seem to feel that the USD denomination provides them with some extra sense of security. USD/Euro Forex closed at 1.4014. The unemployment figures together with the overall pessimistic scenarios concerning the world economies and their growth, lead also Crude Oil to drop to 66.74 usd per barrel for WTI, and 66.58 for Brent Crude. Prices have dropped around \$3 per barrel since last Friday's closing prices which were around 71.29 on Friday the 26th of June 2009.

INDEX	THIS WEEK	LAST WEEK	% CHANGE	POINT DIFF	TREND
BDI	3520	3703	-4.94%	-183	▼
BCI	6438	7106	-9.40%	-668	▼
BPI	3027	2817	7.45%	210	▲
BSI	1718	1734	-0.92%	-16	▼
BHI	749	764	-1.96%	-15	▼

In the Dry Bulk sale and purchase market we see that some lower sale volume activity was seen this week. However, most interesting deal was the Navios/ Commerzbank / Sungdong deal that is described below in the Cape section. Despite that the overall S and P market was very uninteresting. Vale continues to buy Capes and off course this way they will continue to put more pressure on the existing competing cape owners.

DRY BULK TIME CHARTER EARNING OUTLOOK					
VSL TYPE	THIS WEEK	LAST WEEK	% CHANGE	DIFF	TREND
CAPE	\$69,309	\$71,154	-2.59%	-\$1,845	▼
PANAMAX	\$24,217	\$24,219	-0.01%	-\$2	▼
SUPRAMAX	\$19,687	\$19,477	1.08%	\$210	▲
HANDYMAX	\$16,450	\$16,735	-1.70%	-\$285	▼

CAPESIZE MARKET



The **Baltic Cape Index (BCI)** in total decreased about **-9.4%** or **-668** points during this week. The BCI moved exactly as the BDI and made losses on four consecutive days of this week closing at **6,438** on Friday 3rd July 2009, down from 7,106, which was last Friday's the 26th of June closing figure.

It is still the low “fixing” activity and a general lack of cargo enquiries that gave a further downward push on the freight rates during the past week. We also still see that China's demand for Iron Ore is continuing to be the driving force behind the increased daily T/C rates for Capes. This ongoing demand and strict need by the Chinese economy for imported Iron Ore has lead to a record number of ships queued at Chinese ports still waiting to discharge the much needed raw

materials. To add to this Australian experts have forecasted that they will export a record amount of Iron Ore, giving an estimate that exceeds 340mil tonnes for the year 2009/2010. However we expect a slow-down in Iron Ore movements as most cargoes that have moved were part of speculative buying by traders who definitely will decrease their quantities especially now during the summer period.

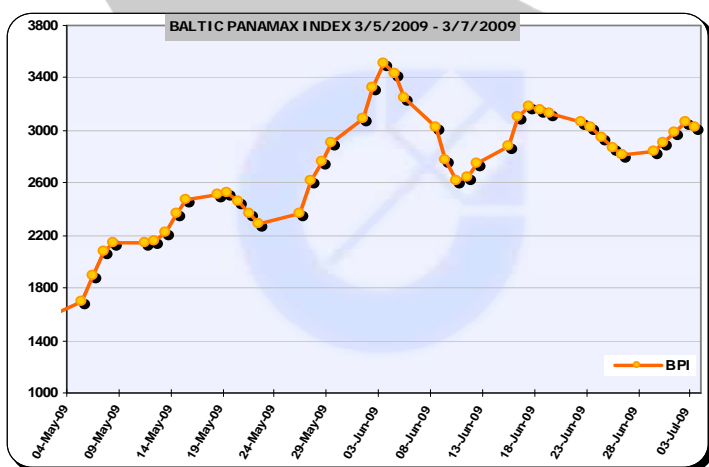
This Month's Capesize T/C average rate which is calculated by N. Cotzias Shipping Consultants from all T/C fixture data that are reported during the current running month decreased by **-2.6%**, to **\$69,309** during this week, from \$71,154 which was last week's average. The daily rates, as seen in our separate fixtures report for Capesizes this week, which had only 4 capes reported on Timecharter, ranged from \$32,500 p/d (M/V **"Anangel Argonaut"** 177K/09blt / Cosco for 30-32 months trading though) up to \$73,000 p/d (M/V **"Marvellous"** 169k/00blt / Cargill - Coscobulk relet for trip via West Australia).

Regarding the Sales activity in Capesize segment of the past week we had reported last week of the possibility of the "impressive" resale deal of **"Navios Maritime Holdings"** which is now definitely on, and has acquired four 180k Capes for **\$324mil**. These are ordered at South Korea's **Sungdong Shipbuilding & Marine Engineering** (where Navios already has 3 capesizes under construction for delivery later this year) initially contracted by Alba Maritime Services of Greece, for **\$436m**. Going deeper after studying the deal closer from the Navios Press releases, we see that Angeliki Frangou and her Navios team have performed a super deal. 3 of the 4 Capes were acquired from companies controlled by Commerzbank AG, the 4th vessel's seller was undisclosed. Deliveries of the 3 units are scheduled in the 3rd quarter of 2010 and the 4th vessel will be delivered after the 1st quarter of 2011. All four vessels have above market Time charters ranging from \$29,356 per day for a max duration of 10-12 years (for 3 vessels) to \$52,584 per day (5 year duration for the fourth unit). These vessels were initially contracted by Alba at a believed/reported price of \$109mil usd each unit. So we are talking about a deal reduced today by an estimated good \$112 mil USD based on the initial total of \$436mil. What we have identified as the most interesting part of the transaction is the innovative financing and the secured cash flow that makes the deal seem like a "super deal". The \$324.5 million acquisition cost was provided with a loan from Commerzbank and according to the press conference call, is \$180 million. Navios however is putting in this deal only \$32.1 million of their cash because they will issue \$112.4 million of mandatorily convertible preferred stock to the shipyard as partial payment. The significance of this unique and intriguing transaction cannot be overstated. Sungdong is voting openly that Navios will not only survive during the forthcoming years, but instead thrive to success. We can clearly say that the issuing of the preferred stock is the keystone of the transaction, and it seems that as the charter hires are expected to generate \$47 million more in EBITDA than the actual cost of the vessels, Sungdong was more than happy to accept their payment in this form. Well Done!

We can also report the sale of Nippon Yusen Kaisha of Japan, M/V **"Rhine Ore"** 233k/89blt – Japan built sold for \$25mil to who else... Vale of Brazil! Greek buyers bought the other 2 reported capes of this week, Cobelfret's M/V **"Lowlands Sunrise"** 176k/03blt – Japan built sold for \$54mil to Ocean Freighters of Greece and Jinhui's M/V **"Jin Tai"** 174k/04blt – Shanghai built sold for \$55.1mil to Undisclosed Greek buyers. For your information and curiosity purposes we provide you with the sale history of the **Jin Tai**: Sellers are JINHUI SHIPPING & TRANS LTD OF CHINA - She was sold in DEC 2007 for \$155MIL USD and now \$55.1MIL (65% price reduction) – Actual price history: Sold in FEB 2005 @ \$80MIL, then sold in JAN 2006 @ \$60MIL, then sold in DEC 2007 @ \$155MIL & now sold in late JUN 2009 @ \$55.1MIL.

Taking the 1st half of 2009 figures from Jan-Jun 2009 and analyzing them, we see that 40 Capesize Vessels have been sold, totaling 6,8million tones DWT and 1.4billion USD was used to finance these deals.

PANAMAX MARKET



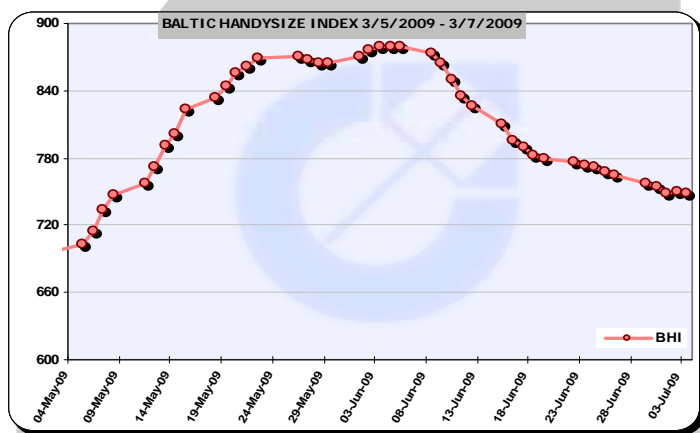
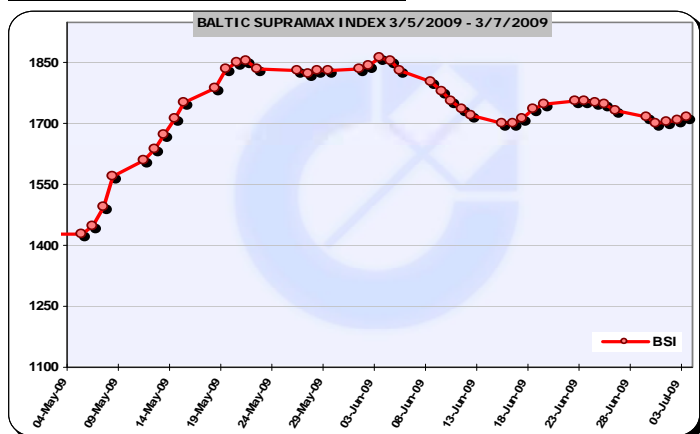
Surprisingly enough, the weekly fall in capesize rates led to a substantial increase in the BPI and this weekly increase would have been stronger if the BPI didn't drop on Friday the 3rd of July. The Baltic Panamax Index (BPI) ended its weekly run with substantial gains. On Friday 03rd of July it closed at **3,027** which is up by **7,45%** or **210** points higher than 2,817 which was last Friday's the 26th of June closing.

For this running month the Cotzias calculated Panamax T/C average rate, went only a fraction down by **-0.01%** this week to **\$24,217** from \$24,219 which was last week's Panamax average and this can only be seen as a minor correction. (For three weeks the average rate for PMX vessels has stabilized on the 24k mark). The daily rates as seen in our separate fixtures report for Panamaxes this week, ranged from \$8,500

(M/V **"Vancouver Victory"** 64k/81blt/ Undisclosed Charterer for a trip via Indonesia) up to \$38,000 (M/V **"Ocean Prince"** 76/04blt/ Fairwind for a trip via St.Lawrence). Regarding the Panamax sales activity of the past week we had the following sales: of the M/V **"Maratha Messenger"** 71k/ 95blt - Japan built sold for \$19.6mil to Chinese Buyers, the M/V **"Victoria"** 75k/84blt – Brazil built sold for \$4mil to Chinese Buyers, of the M/V **"Barcelona Bright"** 67k/81blt – IHI Japan built sold for \$5.0mil to once again Chinese Undisclosed buyers and the sale of the M/V **"Akroneos"** 65k/81blt – Hitachi built sold for \$3.9mil to Hua Ming Shipping of China ("Akroneos" was reported last week but the buyers were then just stated as undisclosed Chinese).

Taking the 1st half of 2009 figures from Jan-Jun 2009 and analyzing them, we see that 86 Panamax Vessels have been sold, of a total of 6,3million tones DWT, 1.7billion USD used to finance these deals.

SUPRAMAX & HANDYMAX MARKET



The Baltic Supramax Index (BSI) closed at **1,718** points on Friday 03rd July 2009. This represents another marginal weekly decrease of about **-0.92%** or **-16** points based on the previous closing of 1,734 points we had last Friday, 26th June 09. Spot rates for supramax and handymax vessels have been marginally weak for the past week, as they tend to react with a more “neutral” move against the volatile trends that have characterized the major Dry Bulk segments. This Month’s Supramax Time Charter Cotzias rate average is calculated at **\$19,687** or **1.1%** up from \$19,477 which was last week’s Supramax average. The daily rates in the fixtures reported this week, for Supramaxes ranged from \$15,000 (for the M/V “*Darya Shakti*” 56k/04 blt/ WBC for trip via NOPAC) up to \$35,000 (for the M/V “*Jin Fu*” 51k/01 blt / Ispat).

The Baltic Handysize index (BHI) which closed on Friday 03rd July 2009 at **749** points. During week 27 it lost in total **-2%** or **-15** points down from 764 which was last week’s Friday closing figure. This Month’s Handysize Time Charter went down by **-1.7%** this week to **\$16,450** from \$16,735 which was last week’s average. This week’s T/C daily rates fixtures for Handy sized vessels ranged from \$7,500 (for the M/V “*Eleoussa*” 45k/94 blt / STX Pan Ocean UK) up to \$26,000 (for the M/V “*Great Majesty*” 46k / 98 blt / Copenship for a trip via Continent). Regarding the Handies’ and Supras’ Sales activity of the past week we saw that the sale activity was greatly reduced. We can report the sale of

the following vessels: of the M/V “*Gulf Globe*” 43k/94blt (of Globus Shipping / Greece) – Hyundai HI built, sold for \$16mil to Undisclosed Greek buyers, the M/V “*Maritime Jeongam*” 50k/02blt – Mitsui Japan built, sold for \$26.5mil to Undisclosed Greek buyers, the M/V “*Alios*” 49k/83blt - IHI built, sold for \$6.9mil to Undisclosed Indonesian buyers, the M/V “*Explorer II*” 39.8k/77blt - Mitsubishi built, sold for \$1.2mil to via auction to Undisclosed buyers.

TYPE	UNITS	DWT (million Tons)	Outlay (billion \$)
CAPE	40	6.8	\$1.40
PANAMAX	86	6.3	\$1.70
SUPRA/HANDY	108	4.8	\$1.33
TOTAL	234	17.9	\$4.43

Looking into the 1st half of 2009 figures from Jan-Jun 2009 analysis, we see that 108 Supra & Handymax Vessels (from 59k down to 35k in size) have been sold, totaling 4,8million tones DWT and needing abt 1.33billion USD to finance these deals.

(table above shows a comparison of all 3 size segments – All BC Sales for 1st half of 2009)

DEMOLITION MARKET

The supply of dry bulk tonnage (BC, MPP, Tween) for scrap remained in extremely very low levels for this past week too. Only a number of tankers were reported sold, this week and the best price offered was for the M/V “*Hua Guang*” which was sold for \$245/ldt to be delivered to Chinese Breakers. For week 27 we have only 3 reported Dry Bulk demolition sales/deals:

VESSEL	TYPE	UNITS	BUILDER	DWT	PRICE	BUYER	REMARKS
HUA GUANG	BC	1982	MITSUBISHI YOKOHAMA	37,404	11,195	CHINA	SELLERS ARE CHINESE GOVERNMENT
YONG XING MEN	BC	1979	UWAJIMA ZOSENSHO	22,526	5,437	INDIA	SOLD ON PRIVATE & CONF DEAL - SELLERS ARE COSCO CHINA
DONGHAI	BC	1978	KANASASHI ZOSEN	33,663	8,021	INDIA	SELLERS ARE TIANJIN HEBEI SHIPPING CO LTD, CHINA

BREAKERS DRY BULK AVERAGE PRICE STATS				
BREAKER	MAY 2009	JUNE 2009	DIFF	TREND
CHINA	\$226	\$248	\$22	▲
INDIA	\$233	\$257	\$24	▲
BANGLADESH	\$240	\$296	\$56	▲
PAKISTAN	\$248	\$282	\$34	▲

It is worth noting that since Jan 2009, and until end of June (1st half 2009) we have recorded more than 34 PURE CAR CARRIERS exceeding 300,000 DWT TONNES of carrying capacity have been scrapped. Average Age of all 34 scrapped PCC’S is 28 YEARS.

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