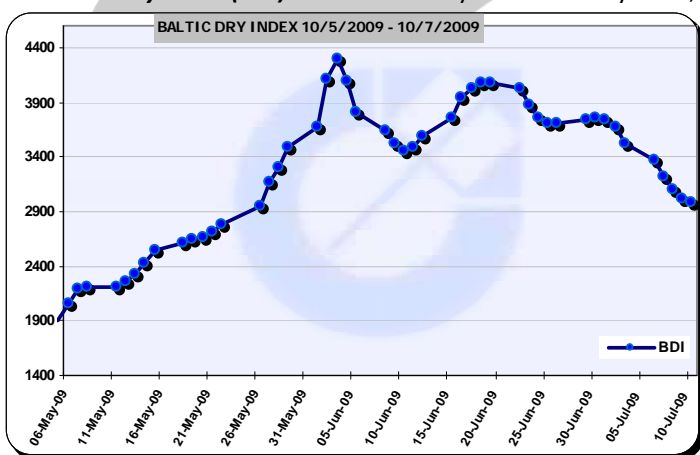


28th Week - Dry Cargo Market "Highlights"

One fellow broker-house report mentioned last week of their "devastation" about Pop/Dance music losing such a source of inspiration and creativity... I will just use a bunch of titles of some favourite songs of MJ to describe my feel of the dry bulk markets: "*Thriller*", "*Bad*", "*Blood on the Dancefloor*", "*Get on the Floor*", "*Beat it*", "*Heal the World*", "*Keep the faith*", "*Gone too soon*", "*Dangerous*", "*Scream Louder*"... and last but not least... "*Ain't no sunshine*".... Which it surely ain't... at least its not sunny for the Container, Car carrier and Tanker guys out there. The temporary gush of Oxygen Air that the Dry bulk market got over the past month or so, seems to be thinning out and the heavy breathing will be back... - well is back already to be more accurate - and things will be made worse especially now during the summer heat...!!! Dry owners are very skeptical as to what market conditions July and August will make them face, as a period of "hopes" is definitely giving way to hard realities and this does mean that the people of the world will expect to see real signs of economic progress, instead of just words to that effect. Unemployment is now 9.5% in the USA and this trend is certainly consistent with the debt problem which is not getting better (3 million people have lost their jobs in the US during the first half of 2009). Japanese industrial production was shuttered by May 2009 exports collapse of around -40% less when compared with May 2008 figures and this just shows how fragile and uncertain is an immediate world market recovery.

The Dry Bulk Market during the past five weeks has been going up and down on a saw tooth shaped pattern. As discussed before, shipping investors are presently in a fog, waiting for something to either confirm their greatest hopes that the economic recovery is indeed unfolding, or their greatest fears that the improving markets and economic conditions of the past four months have been nothing but a mirage. Right now it appears that the hopes and fears are about equally balanced.

The Baltic dry index (BDI) closed on Friday the 10th of July 2009, with severe losses of approximately **-15.2%** dropping **-535** points



during this current week. The Baltic Dry Index continued from where it left last week, and dropped for five consecutive days during this week to close at **2,985** points. The BDI was down from 3,520 which was the previous closing of Friday's the 03rd of July.

Chinese Buyers continue to buy secondhand vessels while Greek buyers have tried to narrow the gap. As we had stated in our Monthly report for June 2009, for the first half of 2009, Chinese buyers have surpassed Greek buyers in terms of units acquired. Chinese have bought 115 dry cargo units and Greeks 98. If we add to these the Tanker vessels then, yes we can say that Greeks may well be enjoying number one seat... but it's the Bulklers that we are mostly concerned as we have

seen that Chinese may well have re-entered into the market, at least for domestic transportation dry cargo units that were sold and should have been destined for scrap. It is worth reporting to you that a handful of "scrapped" ships that we can recall have been renamed and belong to Chinese shipping companies... maybe this is another form of ship "recycling" ..////..

We saw the **dollar** making some minor improvement against the Euro. We have for some days seen the USD/Euro forex fall below the 1.4 level that has been the normal average for the past month. The dollar and Japanese yen have tended to trade in an inverse relationship to levels of risk appetite. The currencies have tended to fall as equities rise and investors show more tolerance for risk. They have tended to rise when investors leave riskier assets in the face of economic uncertainty or financial turmoil.

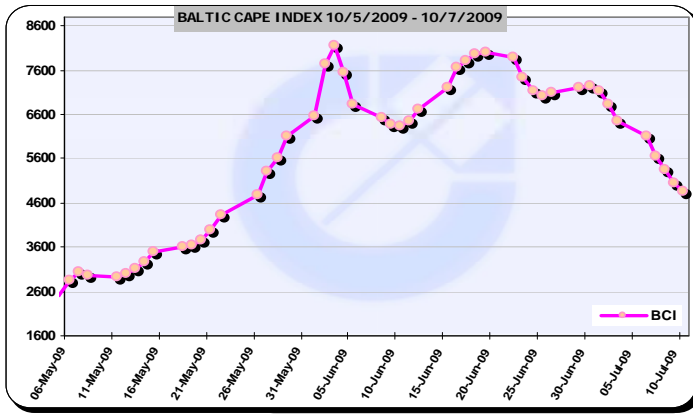
Brent Crude Oil dropped by \$5.13 usd per barrel and was yesterday just above \$60 dollars per barrel at \$60.83. WTI on similar levels also dropped \$6.5 usd per barrel from last weeks trading figures. This weekly drop is the sharpest that we have experienced during 2009.

INDEX	THIS WEEK	LAST WEEK	% CHANGE	POINT DIFF	TREND
BDI	2985	3520	-15.20%	-535	▼
BCI	4844	6438	-24.76%	-1594	▼
BPI	2952	3027	-2.48%	-75	▼
BSI	1817	1718	5.76%	99	▲
BHI	2985	749	298.53%	2236	▲

In the Dry Bulk Sale and Purchase Market, perhaps the writing is beginning to appear on the wall. We are all holding our breath as most Banks reach, perhaps, the end of their "unofficial" grace periods in those outstanding shipping loans. Maybe, just maybe, someone will be forced to sit down, study and address that painful LTV ratio. This is a heavy and difficult task but someone will have to do it; it's most convenient to let those sleeping dogs lie, but who will be brave-enough to wake them up? (or is it: asking the dogs to tell the truth?)

CAPE SIZE MARKET

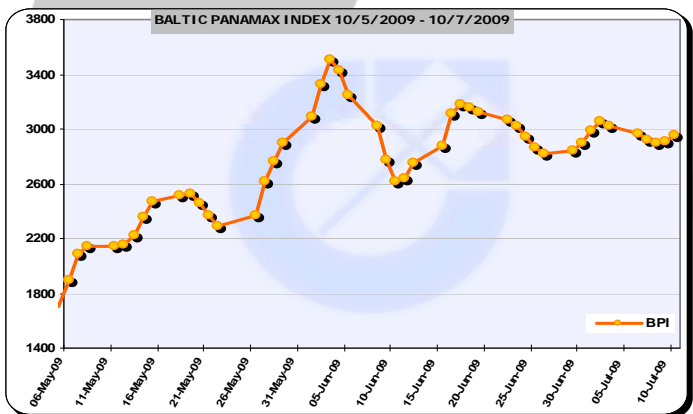
The **Baltic Cape Index (BCI)** in total decreased about **-24.7%** or **-1594** points during this week. The BCI moved sharply downhill, and closed at **4,844** on Friday 10th July 2009, down from 6,438, which was last Friday's the 03rd of July closing figure.



China's demand for Iron Ore has experienced what we had mentioned last week, a slow-down in Iron Ore movements as most cargoes that had moved were part of speculative buying by traders who cooling off their appetites especially now during the summer period. This weeks 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 **-20%**, to **\$54,850** during this week, from \$69,128 which was last week's average. The daily rates, as seen in our separate fixtures report for Capesizes this week, which had only 6 capes reported on Timecharter and ranged from \$43,500 p/d (M/V **"Giant Ace"** 180K/09blt / Cosbulk for 11-13 months trading) up to \$85,000 p/d (M/V **"Ocean Cosmos"** 171k/00blt / Cargill – Classic Maritime relet trip via Narvik option Seven Islands & PG). The most interesting sale for the week came in as this report was "PeeDee-Efed" so the editor had to make a second version to include the sale of the, M/V **"Mineral London"** 174k/06blt – China built sold for \$61.25mil to Oceanfreight Inc of Greece. Bocimar International contracted the vessel in Mar 2006 for what was reported to be \$62mil USD. Considering that the vessel operated in Bocimar's hands for at least 2 full years of Cape Boom rates, we can clearly say that the deal at this price level leaves Bocimar with definitely with a smile. We also had another Cape sold this week that went to Vale of Brazil, the M/V **"Juneau"** 149.5k/90blt – China SB Kaohsiung built sold for \$21.5mil to Vale of Brazil.

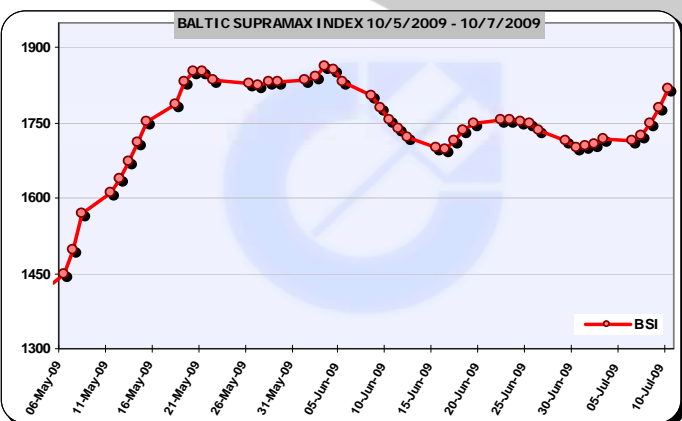
PANAMAX MARKET

Surprisingly enough, the very sharp fall in capesize index and rates led to the strengthening and stability of the Panamax sector.



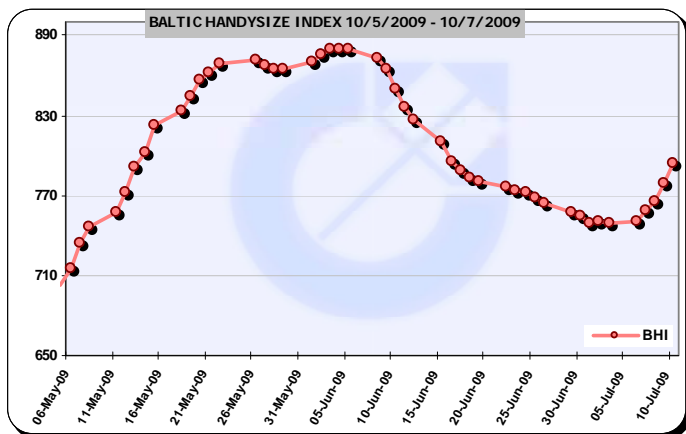
The BPI seems to have anchored around the 3k mark and this has lasted for nearly 4 weeks! The Baltic Panamax Index (BPI) ended its weekly run with some small losses. On Friday 10th of July it closed at **2952** which is down by **-2.5%** or **-75** points lower than 3027 points which was last Friday's the 03rd of July closing. For this running week the Cotzias calculated Panamax T/C average rate, went down by **-4.3%** this week to **\$23,228** from \$24,282 which was last week's Panamax average and again we can clearly note that for four weeks the average rate for PMX vessels has stabilized around the 24k mark. 74 Panamax vessels were chartered on Period and T/C's this week, so we can clearly say that charterers are definitely splitting on BlackJack... the quantities of one Cape surely go to two Panamax vessels. The daily rates as seen in our separate fixtures report for Panamaxes this week, ranged from \$11,000 (M/V **"Shen Nong Feng"** 74k/02blt/ Undisclosed Charterer for a trip via EC Australia and the M/V **"Hebei Express"** 65k/84blt/ Danzas for a trip with \$130,000 Ballast Bonus) up to \$43,000 for the (M/V **"Eptalofos"** 92/07blt/ Pacific Bulk for a trip with \$750,000 Ballast Bonus!). Regarding the Panamax sales activity of the past week we had a very low activity week, and can only report the following sales: the M/V **"Bison"** 77k/ 05blt – Sasebo HI Japan built sold for \$36.35mil to Sinotrans of Hong Kong - part of a 3 ship deal (She was sold as Clipper Sussex to Orion Bulkers in Feb 2007 for \$51mil USD), the M/V **"Antwerp Ace"** 68k/ 82blt – Ishikawajima Japan built sold for \$5mil to Chinese Buyers, the M/V **"Rubin Peony"** 69k/ 97blt – Imabari Marugame Japan built sold for \$23mil to Chinese Buyers, the M/V **"Energy Phoenix"** 68.6k/ 94blt – Sasebo Sasebo Japan built sold for \$17mil to Chinese Buyers and the M/V **"Marine Kingdom 1"** 62k/83blt – Koyo Japan built sold for \$5mil to Greek Buyers.

SUPRAMAX & HANDYMAX MARKET



The Baltic Supramax Index (BSI) closed up at **1817** points on Friday the 10th July 2009. This represents a serious increase of about **5.8%** or **99** points based on the previous closing of 1,718 points we had last Friday, 03rd July 09. The Spot rates for supramax and handymax vessels have been stable 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 **\$20,844** or **4.1%** up from \$18,477 which was last week's Supramax average. The daily rates in the fixtures reported this week, for Supramaxes ranged from \$6,500 (for the M/V **"Osprey 1"** 50k/02 blt/ Norden for trip via

Bukpyung) up to \$33,000 (for the M/V **"An Ning"** 55k/09 blt / Bulk Handling for a TC trip).



The Baltic Handysize index (BHI) closed on Friday 10th July 2009 up at **794** points. During week 28 it gained in total **6%** or **45** points and was up from 749 which was last week's Friday 03rd of July 2009 closing figure. This Month's Handysize Time Charter went down by **-2.7%** this week to **\$15,000** from \$16,000 which was last week's average.

This week's T/C daily rates fixtures for Handy sized vessels ranged from \$8,000 (for the M/V **"Lara Rickmers"** 45k/97 blt / Undisclosed Chart for a trip via Nopac) up to \$27,000 (for the M/V **"Sealady"** 42k/95 blt / Norden for a trip via Owendo). 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 **"Shamrock"** 52k/06blt (of Orion Bulkers GmbH / Germany) – Tsuneishi Sebu Japan built, sold together with the near sister M/V **"Nyala"** 52k/06blt (of Orion Bulkers GmbH / Germany) – Tsuneishi Sebu Japan built, sold for \$30.23mil each unit to Sinotrans of Hong Kong, the sale of M/V **"Nord Ace"** 47k/99blt – Oshima Japan built, sold for \$21mil to Greek Buyers, M/V **"York Castle"** 46.6k/85blt – Sunderland UK built, sold for \$6mil to Undisclosed Buyers, the M/V **"Med Dignity"** 42k/84blt – Nipponkai HI Japan built, sold for \$4.5mil to Undisclosed Far Eastern Buyers, the M/V **"Aspilos"** 37.6k/82blt – Osaka Zhosen Japan built, sold for \$4mil to Undisclosed Buyers, the M/V **"Ability"** 31k/81blt – Sunderland UK built, sold for \$3mil to Undisclosed UAE Buyers, the M/V **"Pontoporos"** 29k/84blt – Hakodate Japan built, sold for \$5mil to Undisclosed Buyers and the M/V **"Sendai Bulker"** 28.4k/00blt – Naikai Setoda Japan built, sold for \$17.2mil to Undisclosed Greek Buyers. Mostly late 90's early 200's and early post 1985 vessels were sold, with the Japanese built units to be on top of all shopping lists.

TYPE	UNITS	DWT (million Tons)	Outlay (billion \$)
CAPE	42	7.2	\$1.51
PANAMAX	92	6.6	\$1.86
SUPRA/HANDY	116	5.2	\$1.5
TOTAL	250	19	\$4.87

For the period of 01 Jan - 10 Jul 2009 analysis, we see that 42 Capes, 92 Panamaxes and 116 Supra & Handymax Vessels (from 59k down to 35k in size) have been sold, totaling 19million tones DWT and needing abt 4.87billion USD to finance these 250 deals.

(table above shows a comparison of all 3 size segments – All BC Sales for 1st half of 2009 until 10 July 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 Roro and Containers Tweens and Mpp's were reported sold this week, with no Bulkers going for demo. For week 28 we have only the following Dry Cargo demolition sales/deals:

Vessel Name	Type	Year	Origin	Current Price	Previous Price	Diff	Buyer	Notes
1ST LT. ALEX BONNYMAN	RORO	1980	ODENSE LINDO	21,050	19,070	-	INDIA	LOGISTICS SHIP NAVAL RORO/CARGO - SOLD ENBLOC 1ST LT ALEX BONNYMAN & PFC JAMES ANDERSON JR FOR DELY INDIA - AS IS NORFOLK - SELLERS ARE WILNINGTON TRUST CO USA
PFC. JAMES ANDERSON JR.	RORO	1979	ODENSE LINDO	21,050	19,070	-	INDIA	LOGISTICS SHIP NAVAL RORO/CARGO - SOLD ENBLOC 1ST LT ALEX BONNYMAN & PFC JAMES ANDERSON JR FOR DELY INDIA - AS IS NORFOLK - SELLERS ARE WILNINGTON TRUST CO USA
PRECIOUS	MPP	1982	UKRAINE	14,930	6,920	\$247	INDIA	SELLERS ARE UNIVERSAL NAVIGATION & TRADING PAKISTAN
MSC CORSICA	CONT	1981	POLAND	27,630	13,747	\$255	INDIA	SELLERS ARE TARGET MARINE SA GREECE
MSC CRISTIANA	TWEEN	1984	POLAND	10,221	10,116	\$255	INDIA	SELLERS ARE MSC SWISS
ORIENTAL CARRIER	MPP	1980	GERMANY	17,664	6,647	\$250	CHINA	SELLERS ARE SINOKOR MERCHANT MARINE KOREA
NIEVES B	TWEEN	1982	POLAND	18,864	9,874	\$176	AS IS	SOLD AS IS SPAIN - SELLERS ARE GRUPO BOLUDA SPAIN
GOLDEN PRINCESS	RORO	1967	WARTSILA AB - HELSINKI	1,534	7,869	\$220	CHINA	AS IS HONG KONG - SELLERS ARE CHINESE

SCRAP - BREAKERS AVERAGE PRICE STATS				
BREAKER	THIS MONTH	LAST MONTH	DIFF	TREND
CHINA	\$242	\$248	-\$6	▼
INDIA	\$254	\$257	-\$3	▼
BANGLADESH	\$315	\$296	\$19	▲
PAKISTAN	\$282	\$282	\$0	▼

It is worth noting that since Jan 2009, and until 10th July 2009 we have recorded as scrapped, more than 34 PURE CAR CARRIERS the total dwt of which exceeds 300,000 DWT TONNES of carrying capacity. Average Age of all 34 scrapped PCC'S is 28 YEARS. 61 Roro Vessels including the 34 PCC's have departed from the active fleet, while 89 Container Ships have gone for Scrap.

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