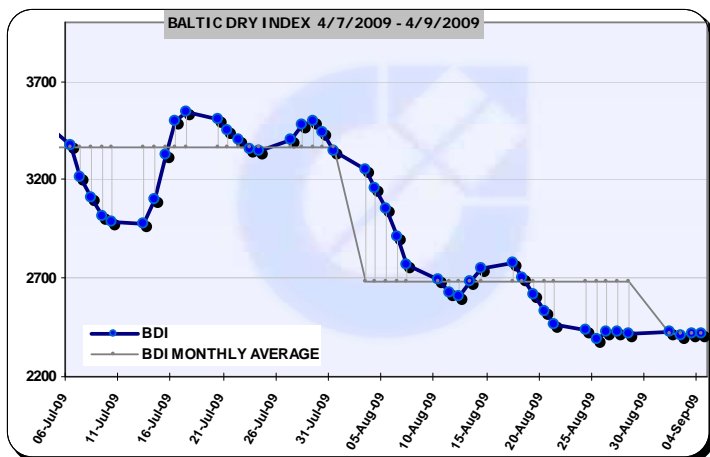


36th Week - Dry Cargo Market "Highlights"

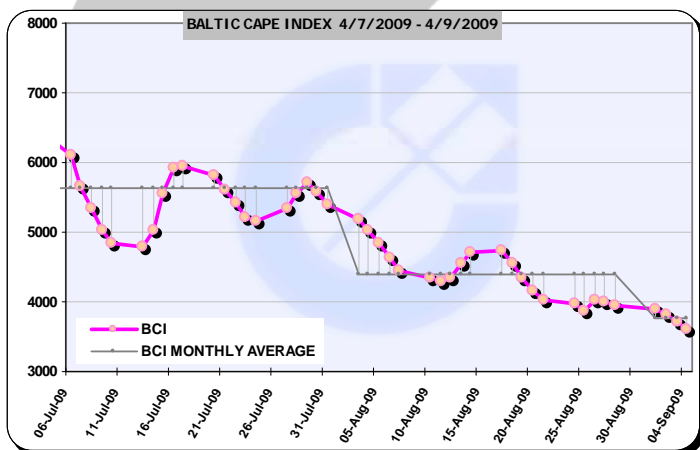
➤ **The Baltic dry index (BDI)** closed on Friday the 04th of September 2009, after going through a "trying to stabilise" non-



decisive week looks like it is on a "flatliner" mode... This week it lost a mere **-0.25%** on a week-to-week comparison, and has dropped by **-6** points during this current week closing at **2,421** points. The Baltic Dry Index seems locked for 2 weeks now around the 2400 point mark causing some concerns to whether I should sell now or buy later... Deals that looked definite, have been put on hold as uncertainty prevails with most shipowners and ship investors. It is not clear how will the market react and how will the overall trend move. On these grounds a market that looks idle can be thought of as a stable one, but it can also be dangerous. Dangerous on the grounds that the lack of any clear direction and the fact that it has been for quite some weeks now on a negative shaped trend, it has made many potential buyers sceptical and indecisive to invest. So

CAPE SIZE MARKET

➤ The **Baltic Cape Index (BCI)** closed on Friday the 04th September 2009 at **3,615** points with a loss of **-8.4%** or **-331** points.

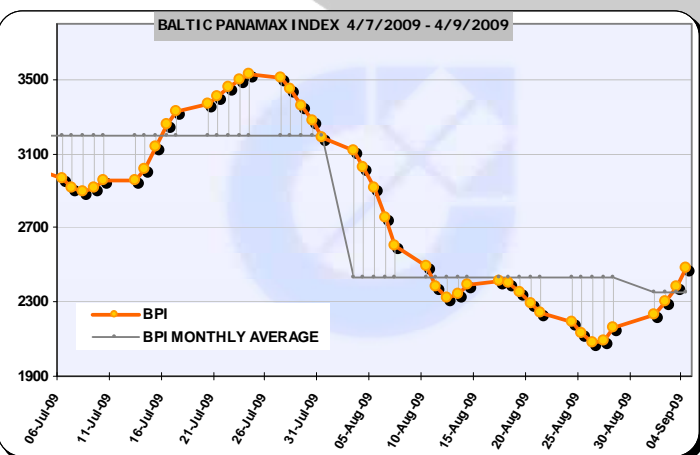


Previous week's closing was 3946. The yearly average of the BCI currently stands at 3760 points but the overall trend is on the decline since April 2009.

China despite the ongoing crisis seems determined to continue its growth. Huge infrastructure spending continues, and only investment on China's railways is on a 150% growth on year to year comparison. China reached its highest steel output in July 2009 reaching 51 million tonnes which again on a year to year comparison is up by 12%. China's coal industry has also followed the overall boom assisting in the Chinese growth too. China produced 1.61 billion tonnes of coal 9% higher than last years figures. For the period of Jan-July 2009 China exported 12.92 million tonnes of coal 57% less than last years figures while coal imports have increased by 128%

to 57 million tonnes for this year 7 month period.

PANAMAX MARKET



This week's Capesize T/C average rate calculated by N. Cotzias Shipping Consultants from all T/C fixture data that are reported during the current running month severely decreased by **-16%**, to **\$34,875** during this week, from \$41,528 which was last week's average. Six (6) cape T/C fixtures were reported this week, and the daily rates as seen in our separate fixtures report for Cape this week, high/low margins ranged from \$10,100 (M/V **"Zosco Ningbo"** 127k/82blt/Winning – for a trip via Indonesia) up to \$40,000 (M/V **"Cape Pioneer"** 170k/05blt/Hong Xiang – for a trip via Esperance).

No capes reported sold this week.

➤ To the opposite of the Cape Index the Baltic Panamax Index (BPI) made a rebound and closed on Friday the 04th of September at **2,157** which is **up by 15.25%** or **329** points more than 2157 points which was last Friday's the 28th of August closing. For this running week the Cotzias calculated Panamax T/C average rate, for one more week went down by **-3.95%** this week to **\$19,264** from \$20,866 which was last week's Panamax average. Looking at units chartered on period this week we see a good number of 57 Panamax vessels that were chartered on Period and T/C's.

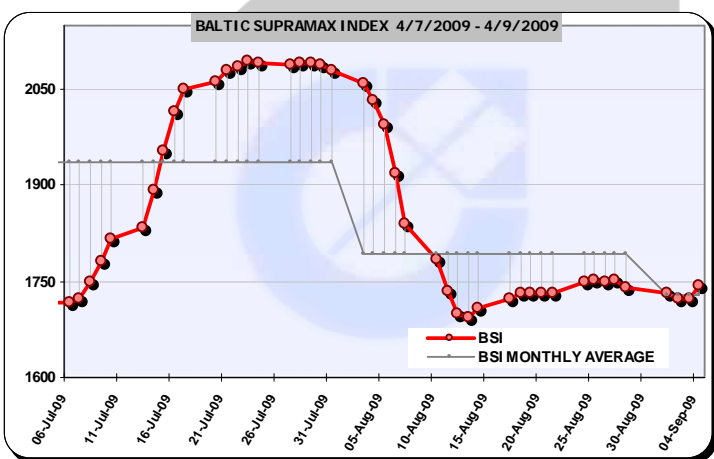
The daily rates as seen in our separate fixtures report for Panamaxes this week, with improved high/low margins and ranged from \$6,350 (M/V **"Legiony Polskie"** 73k/91blt/

United for a trip via EC Australia) up to \$35,000 for the (M/V *"Seaflower"* 69k/95blt/ Alfred C. Toepfer for a trip via Black Sea).

In the Panamax sector we had 1 vessels reported as sold this week: We had the M/V *"Theresa Hebei"*, 76,436dwt 2004 built Tsuneishi Japan that was sold for \$45mil to undisclosed Turkish Buyers (She was reported sold as "Maritime Christine" in May 2009 for 31mil to Raffles Shipmanagement of Singapore. We had not at the time of writing this report the ability to validate the information of failed deal in May or if she was sold in a period of less than 3 months realising a profit of 4 mil usd. We report the sale of the M/V *"Vancouver Victory"*, 64,308dwt. Geared 4x25T, 1981 built Hitachi Japan that was sold for \$5.2mil to undisclosed Chinese Buyers.

A saga is being borne with the two Fortune Ocean and Fortune Princess ships. Reports in early Aug 2009 that they were both sold to Chinese bueyrs for \$37.5 each failed. Then last week we reported that the M/V *"Fortune Ocean"*, 76,801dwt 2006 built Sasebo Japan, together with the M/V *"Fortune Princess"*, 76,635dwt 2006 built Oshima Japan were both sold for \$39mil and \$38mil respectively enbloc to Undisclosed Greek Buyers seems to have failed too. Maybe someone wanted to improve the stats of Chinese and Greek buyers so these two ships were like a "Joker Card - Baladeur"... in the buyers race hand suite...!!!

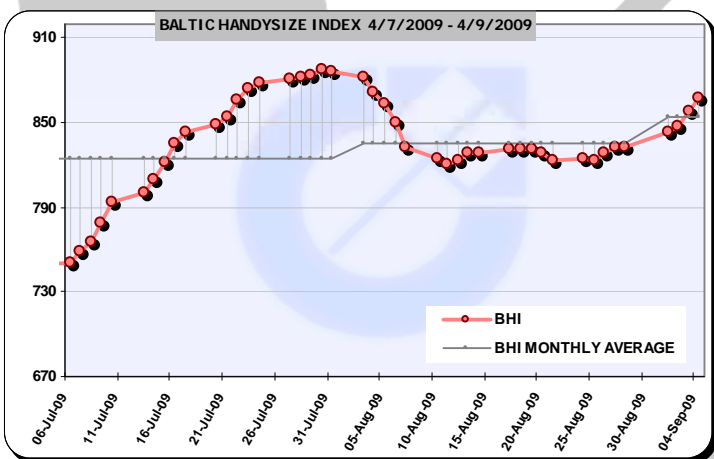
SUPRAMAX & HANDYMAX MARKET



➤ The Baltic Supramax Index (BSI) for once more closed with yet another mere increase at **1742** points on Friday the 04th of September 2009. It has gained this week **+0.11%** or **just +2** points based on the previous closing of 1740 points we had last Friday the 28th of August 09.

This Month's Supramax Time Charter Cotzias rate average is calculated at **\$18,953** or **-9.17%** down from \$20,866 which was last week's Supramax average. Since the 12th of Aug 09 the index is on a rising trend, following its bell shaped up and down curve it had performed during the past 2 months.

A low number of just **16** Supramaxes were on T/C this week, which in terms of volume/rate is rather reduced over previous weeks. The daily rates in the fixtures reported this week, for Supramaxes ranged from \$9,000 (for the M/V *"Nantor"* 53k/09blt/ Undisclosed Charterer for a T/C trip via Indonesia) up to \$32,000 (for the M/V *"Meteora"* 58.5k/07 blt / Oldendorff for a T/C trip via Black Sea).



➤ The Baltic Handysize index (BHI) after 2 weeks of stabilizing around the 825-835 margin started to shoot up this week and closed on Friday the 04th September 2009 up at **867** points and this represents a gain of **4.08%** or **34** points. However and despite the rise in the index this week's Handysize Time Charter went down by **-6.69%** this week to **\$14,200** from \$15,217 which was last week's average. Only 5 Handymax vessels were reported on T/C this week and the weekly T/C daily rates fixtures for Handy sized vessels ranged from \$10,000 (for the M/V *"Dorine"* 41.5k/98 blt / Oldendorff for a T/C trip via North Australia) up to \$20,500 (for the M/V *"K.Gold"* 43.7k/96 blt / GMI for T/C trip via North Brazil).

Regarding the Handies' and Supras' Sales activity of the past week we had a low volume of transactions, with a few deals only to report. This week we had the sale of: the M/V *"K. Silver"* 43,774 dwt, Daewoo Korea, 1996 built, 4x30T, sold to Chinese Buyers for \$16.5m. And that is all for this week...too...!!!

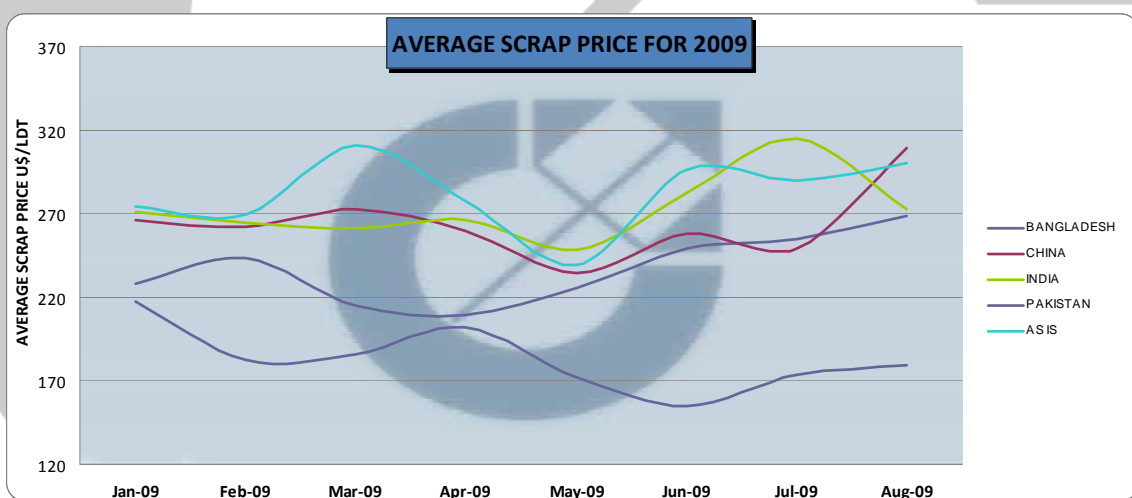
DEMOLITION MARKET – Continuing the serious increase in the scrap activity it seems that for this past week most ships and most transactions were scrap deals. It is not surprising that, keeping the same pace we had in August that already in just 4-5 days in September we have 21 scrap deals to report.

Bangladesh is getting the big tankers, mainly with SS content and as such currently offer the best prices in the industry, with India and Pakistan that match good prices as they have been offering in excess of \$300.

It seems that competition is working for shipowners/sellers favour. China has not kept up to the price race offered by both India and Pakistan and as such, trails by \$20 per ldt.

Dry cargo scrap sales for week 36:

ALINDA	BC	1977	mitsui TAMANO	28,310	6,456			SELLERS ARE SEVEN SEAS MARITIME LTD UK
ARIHANT	BC	1983	SHANGHAI SHIPYARD	15,753	5,689	-	CHINA	SELLERS ARE ADANI SHIPPING CHINA CO LTD CHINA
CITY OF GLASGOW	CONT	1978	HITACHI ZOSEN - MUK	15,270	6,899	-		SELLERS ARE COSTAMARE SHIPPING CO SA GREECE
GRUS	RORO	1981	KANASASHI ZOSEN - T	14,161	10,988	-	CHINA	VEHICLES CARRIER - SELLERS ARE NIPPON YUSEN KAISHA JAPAN
PIONEER CONTRACTOR	BC	1963	BETHLEHEM SHIPBUILD	13,752	5,666	-	AS IS	SELLERS ARE USA GOVERNMENT - MARINE METAL ARE BREAKERS
DEL VALLE	BC	1968	INGALLS PASCAGOULA	13,248	4,566	-	AS IS	SELLERS ARE USA GOVERNMENT - ALL STAR METALS LLC ARE BREAKERS
MORMACGLEN	BC	1961	TODD SAN PEDRO	12,590	5,222	-	AS IS	SELLERS ARE USA GOVERNMENT - INTERNATIONAL SHIPBREAKING ARE BREAKERS
HATTIESBURG VICTORY	BC	1945	CALIFORNIA SHIP LOS	10,928			AS IS	SELLERS ARE USA GOVERNMENT - ESCO MARINE ARE BREAKERS
AUSTRALIAN HIGHWAY	RORO	1981	KURUSHIMA ONISHI	9,147			CHINA	VEHICLES CARRIER - SELLERS ARE KAWASAKI KISEN KAISHA JAPAN
AURIKA	REEFER	1979	HAYASHIKANE SHBLDG	8,873	4,900	-		SELLERS ARE POLARIS MARITIME LTD UK
FUJI REEFER	REEFER	1979	HITACHI ZOSEN - NAG	8,084	4,445	-		SELLERS ARE HITACHI ZOSEN - NAG UAE
SELMA	REEFER	1979	UWAJIMA ZOSENSHO	7,787			INDIA	SELLERS ARE HOLY HOUSE SHIPPING AB SWEDEN
PARAMUSHIR	BC	1971	VYBORGSKIY	6,037				SELLERS ARE SAKHALIN SHIPPING CO RUSSIA
OBS SWATHY	BC	1979	EMAQ	5,344				SELLERS ARE OCEAN BULK SHIPPING LLC, UAE



BREAKER	UNITS	LDT TAKEN	av \$	UNITS	LDT
CHINA	189	1,961,765	\$235	184	1,912,818
INDIA	355	2,947,316	\$264	320	2,583,012
BANGLADESH	138	1,502,765	\$287	94	942,376
TURKEY	59	147,945	\$182	56	146,845
PAKISTAN	61	534,554	\$264	53	446,631
OTHER/CASH/AS IS	31	217,535	\$66	16	104,372
TOTAL	833	7,311,880	\$216	723	6,136,054

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