

SHIPPING MARKET REVIEW

OCTOBER 2010



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Christopher Rex, Chief Analyst
rex@shipfinance.dk

Brian Thorsen, Analyst
bth@shipfinancet.dk

Stinus Nielsen, Analyst
stn@shipfinance.dk

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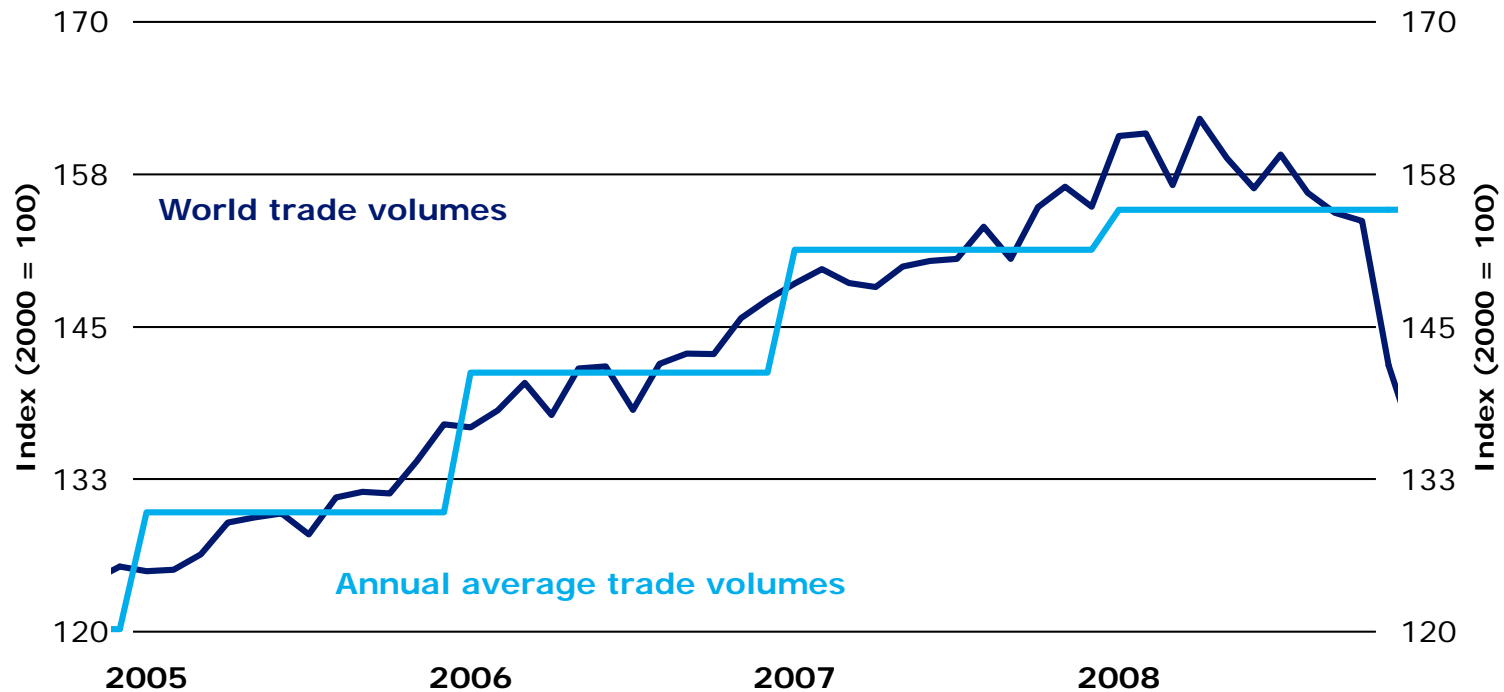


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WORLD DEMAND INDICATORS

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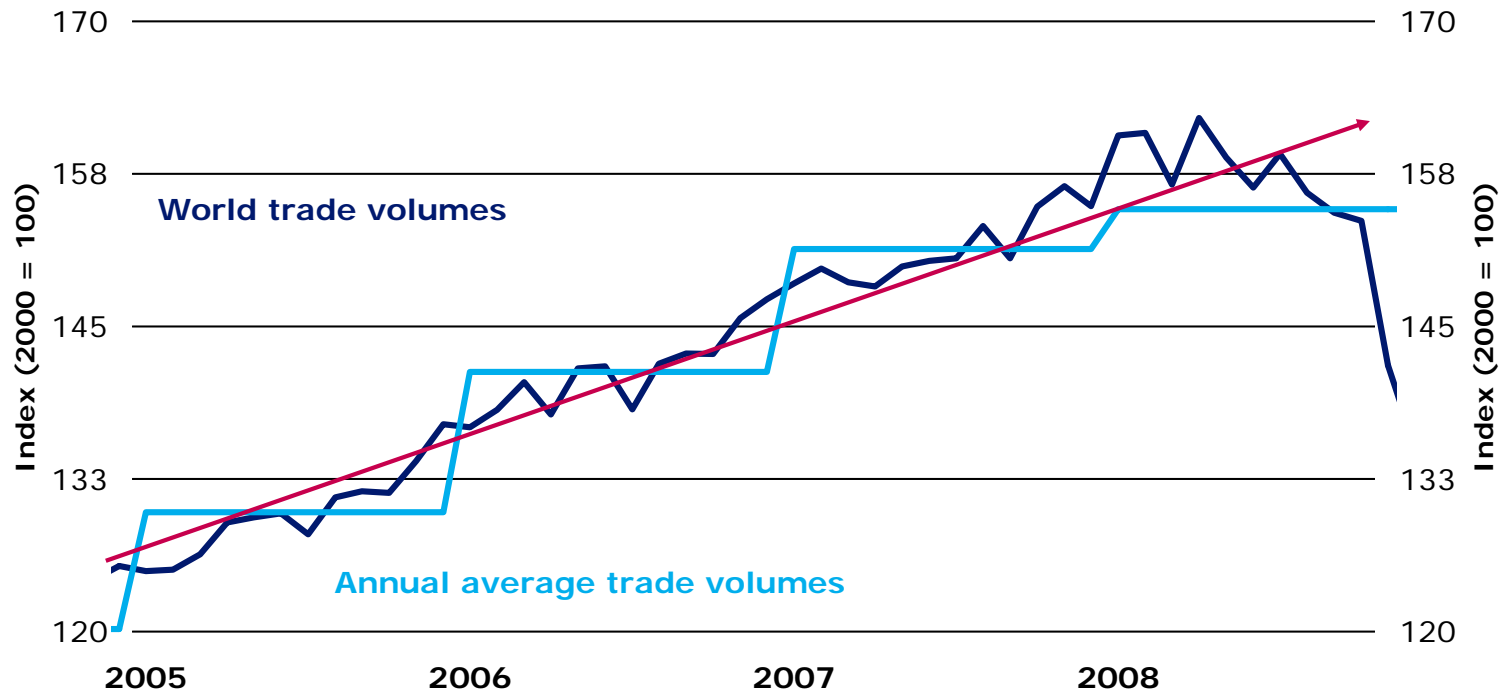
**World trade volumes increase on average 7% annually
between 2005-2008**



Sources: Reuters EcoWin, Danish Ship Finance

WORLD DEMAND INDICATORS

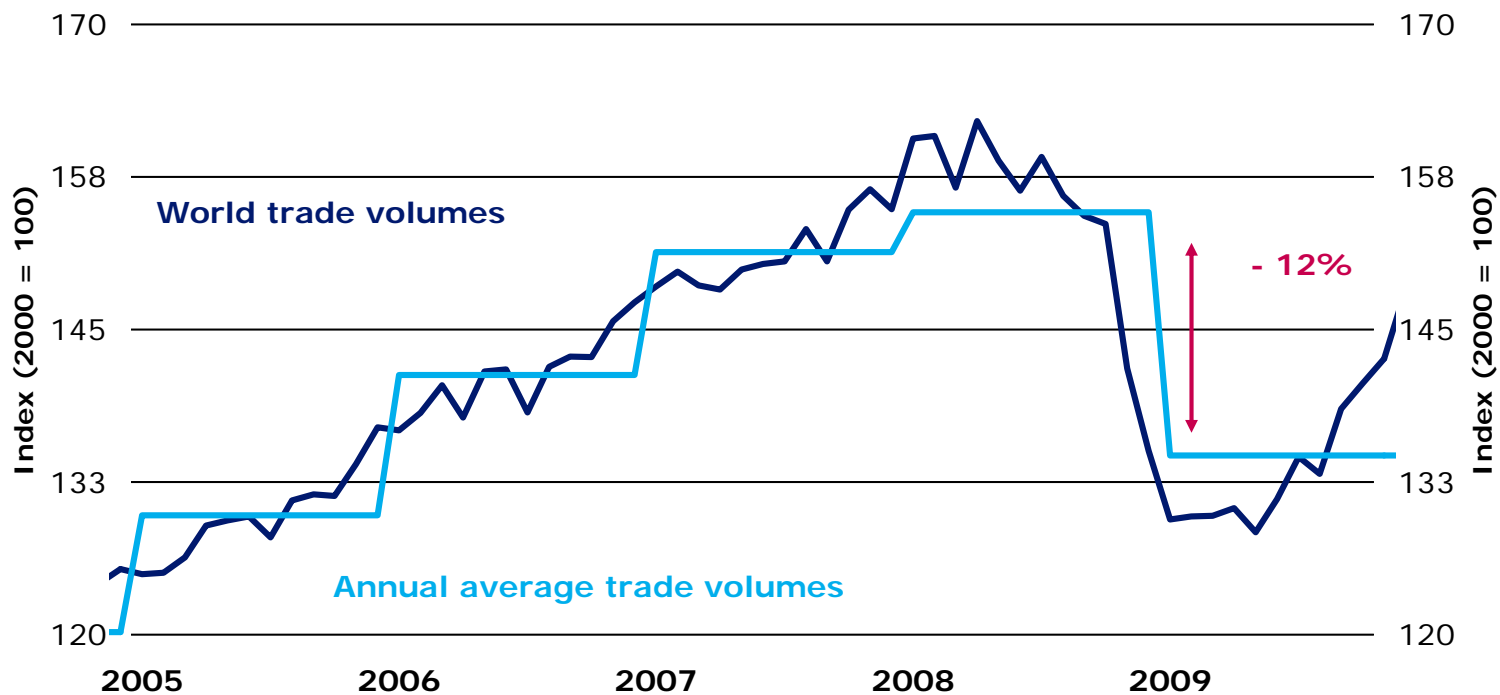
**World trade volumes increase on average 7% annually
between 2005-2008**



Sources: Reuters EcoWin, Danish Ship Finance

WORLD DEMAND INDICATORS

World trade volumes dropped 12% in 2009

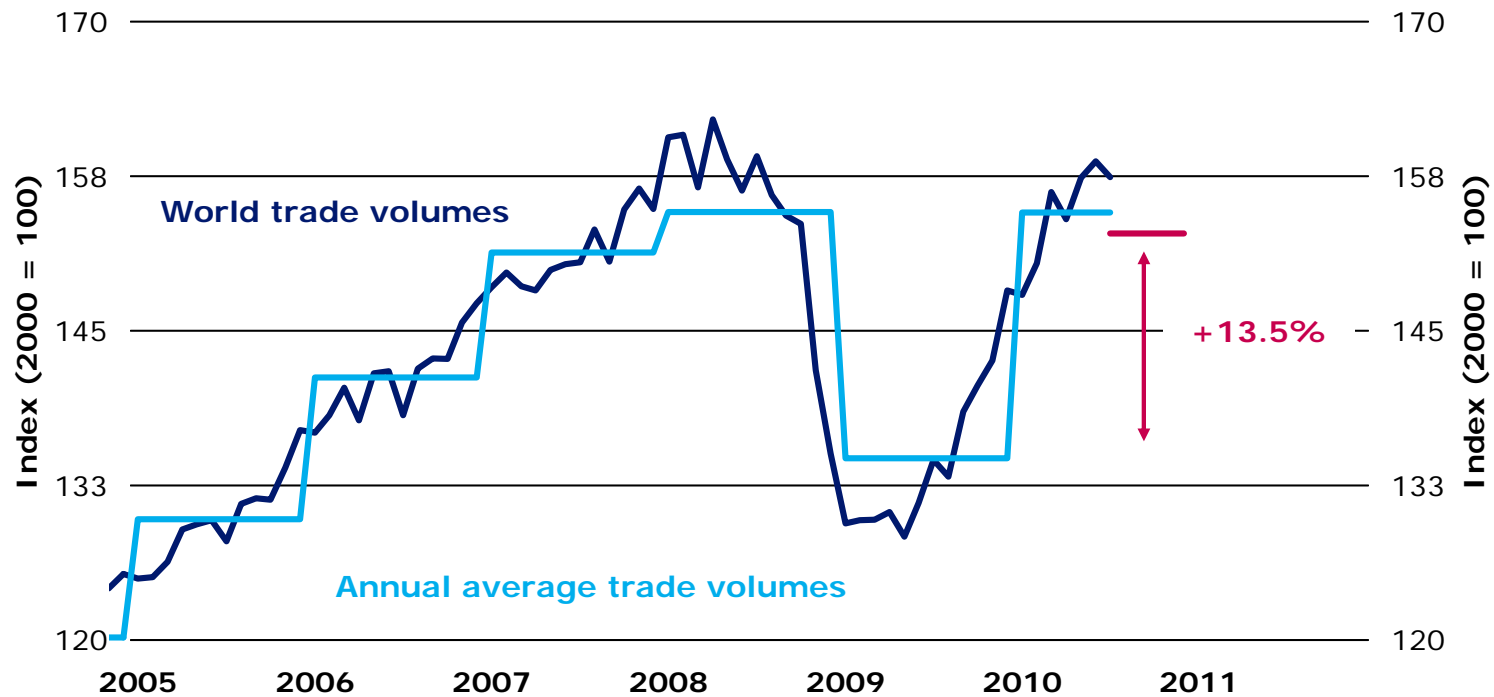


Sources: Reuters EcoWin, Danish Ship Finance

WORLD DEMAND INDICATORS

World trade volumes up 18.5% in 1H2010

2010 volumes are back at 2008 levels



Sources: Reuters EcoWin, Danish Ship Finance

WTO forecast

WORLD SUPPLY INDICATORS

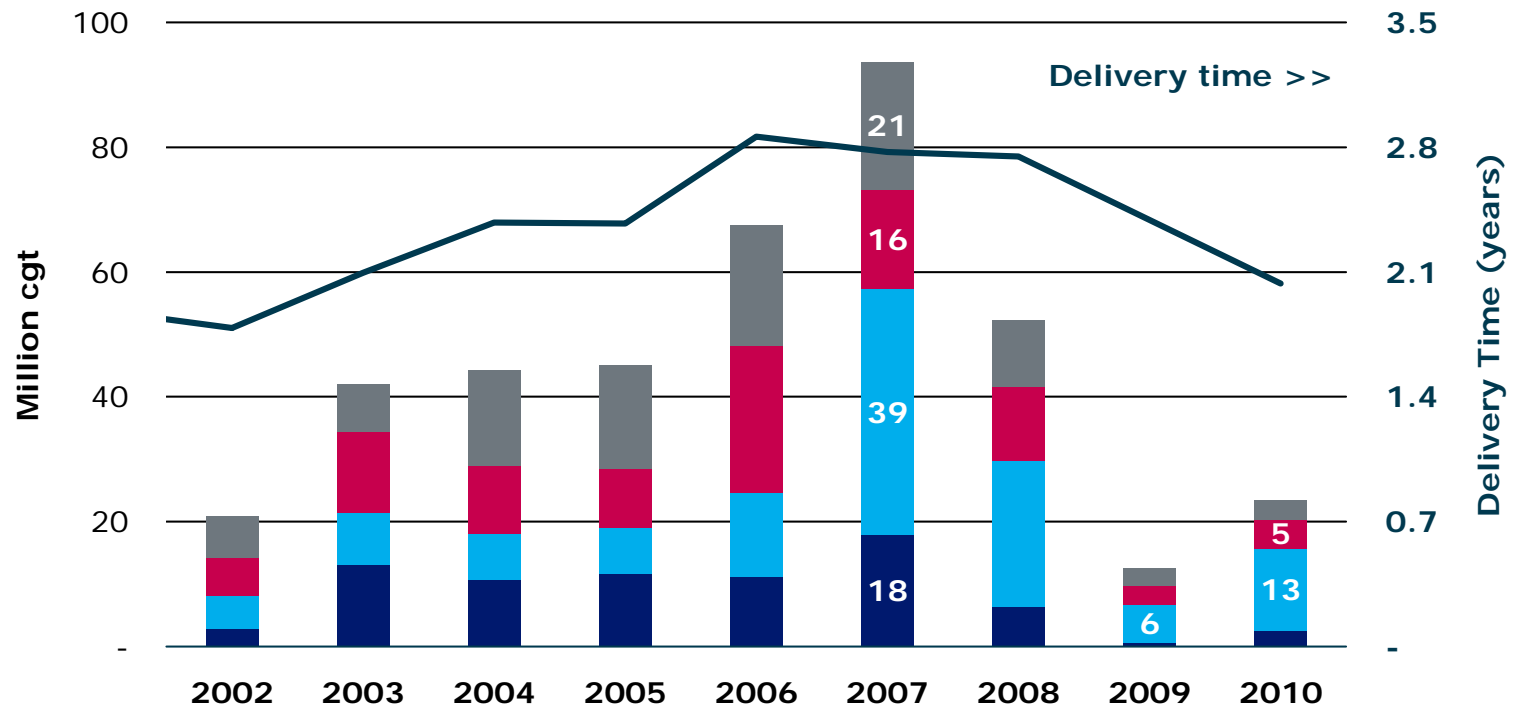


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WORLD SUPPLY INDICATORS

Global contracting activity increases during 2010

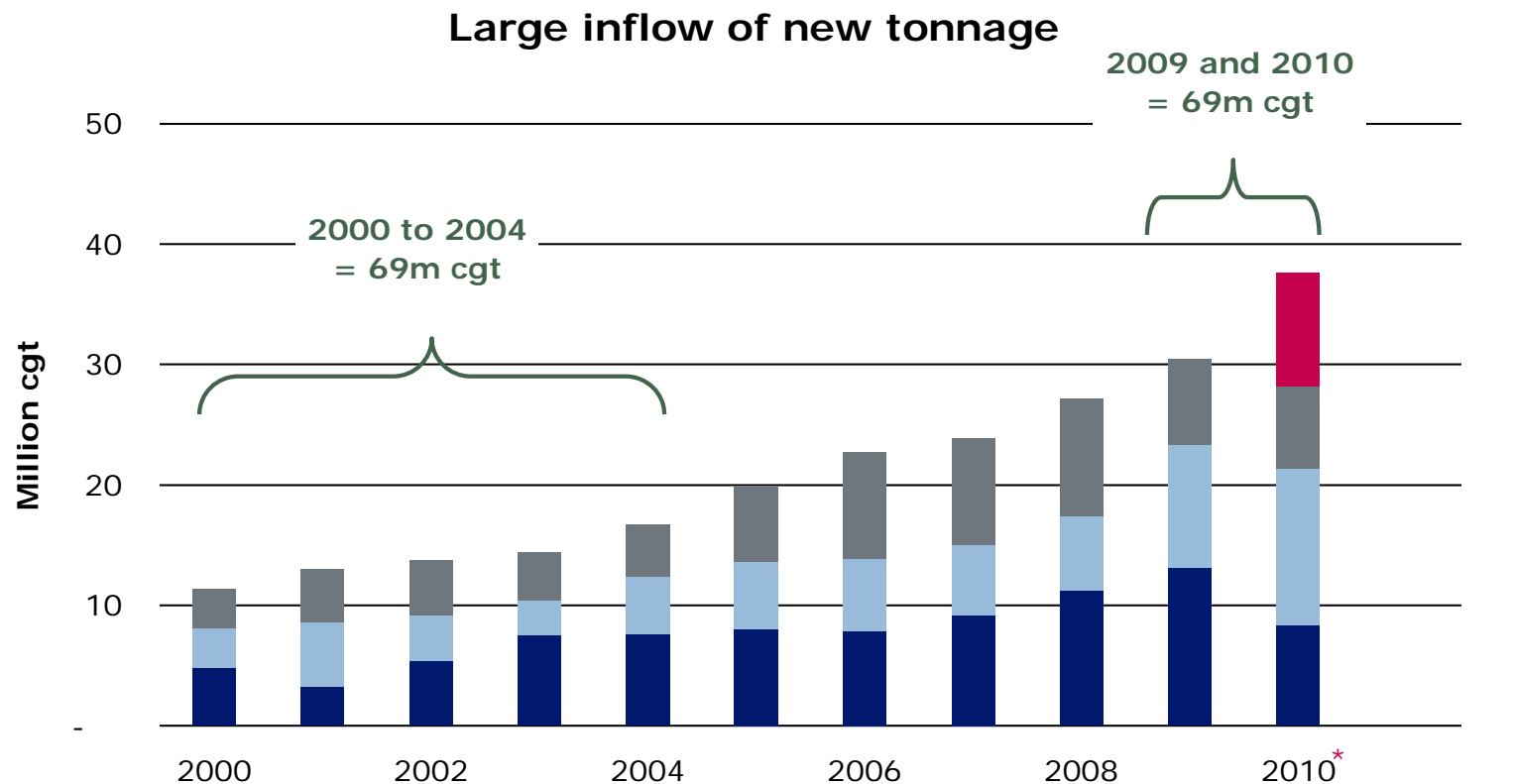
Primarily due to a surprisingly strong appetite for Dry Bulk tonnage



Sources: Clarksons, Danish Ship Finance

■ Container ■ Dry Bulk ■ Tanker ■ Other

WORLD SUPPLY INDICATORS



* January - September 2010

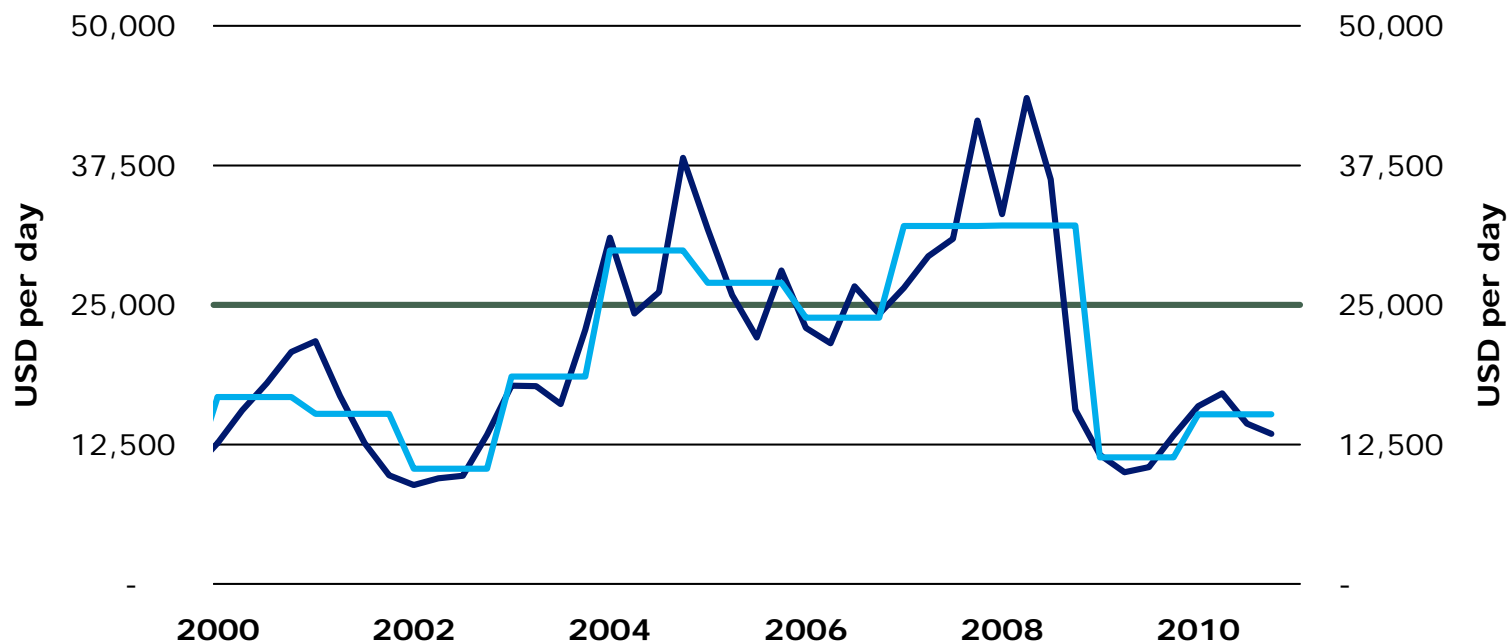
Sources: Clarksons, Danish Ship Finance

■ Tanker ■ Dry Bulk ■ Container ■ 4Q2010

EARNINGS AND ASSET VALUES

EARNINGS AND ASSET VALUES

ClarkSea Index 50% below its peak in 2008 but 30% above the 2009-level

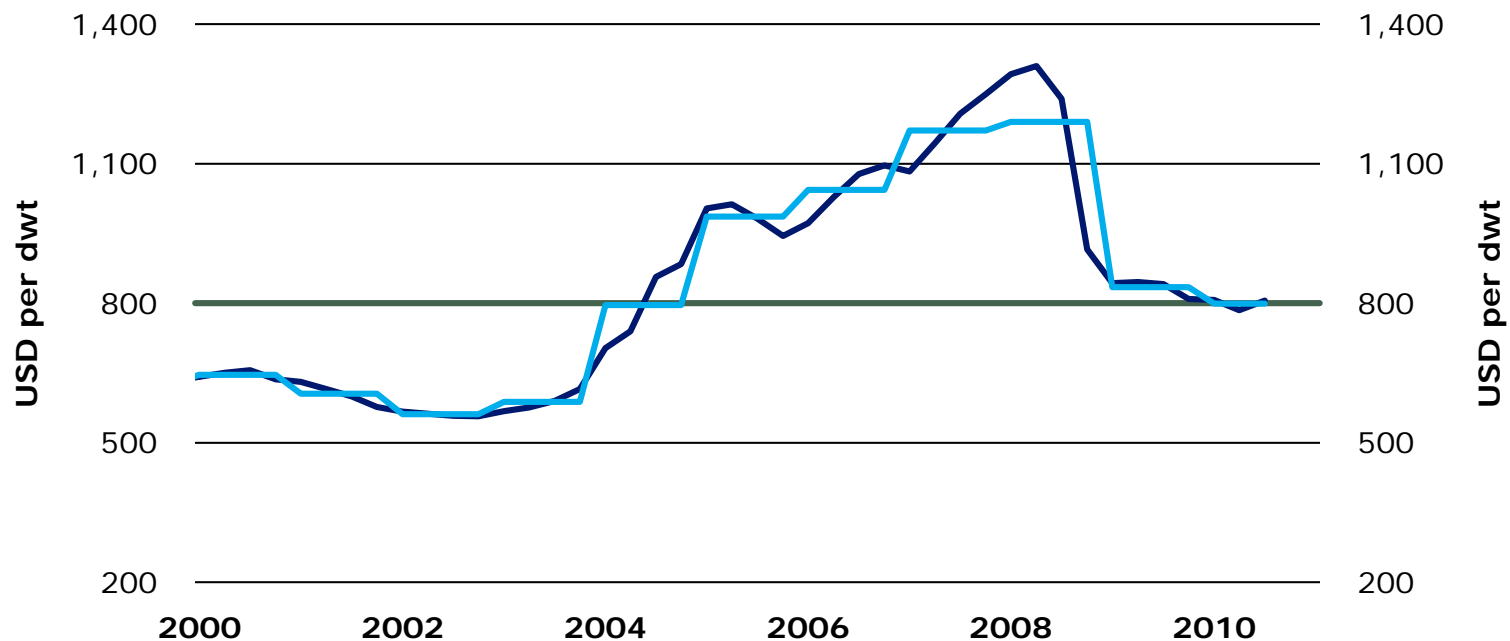


Sources: Clarksons, Danish Ship Finance

— ClarkSea Index — Annual average

EARNINGS AND ASSET VALUES

The average secondhand price has dropped 30% from its peak in 2008 and 4% from its 2009-level



Sources: Clarksons, Danish Ship Finance

— Average secondhand price — Annual average

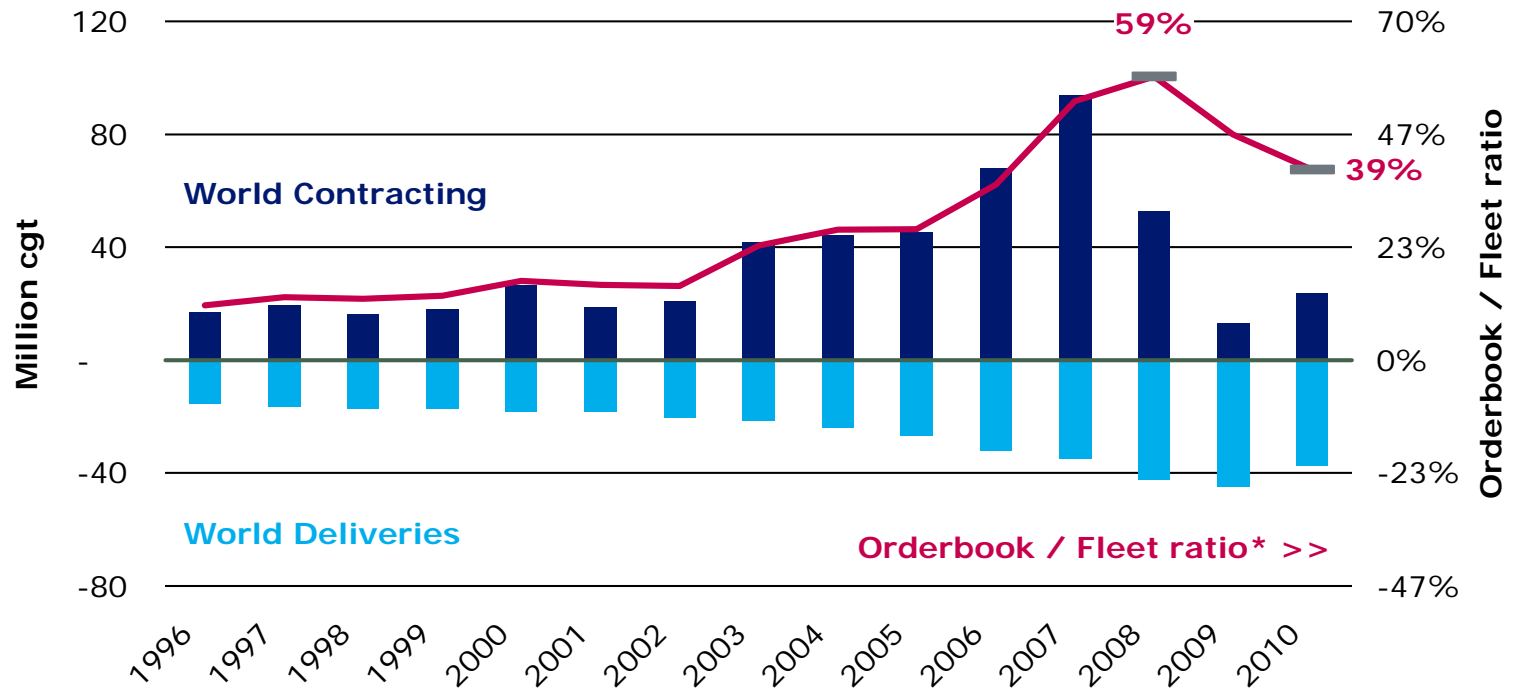
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SHIP BUILDING

The global orderbook declines as more tonnage is being delivered than contracted

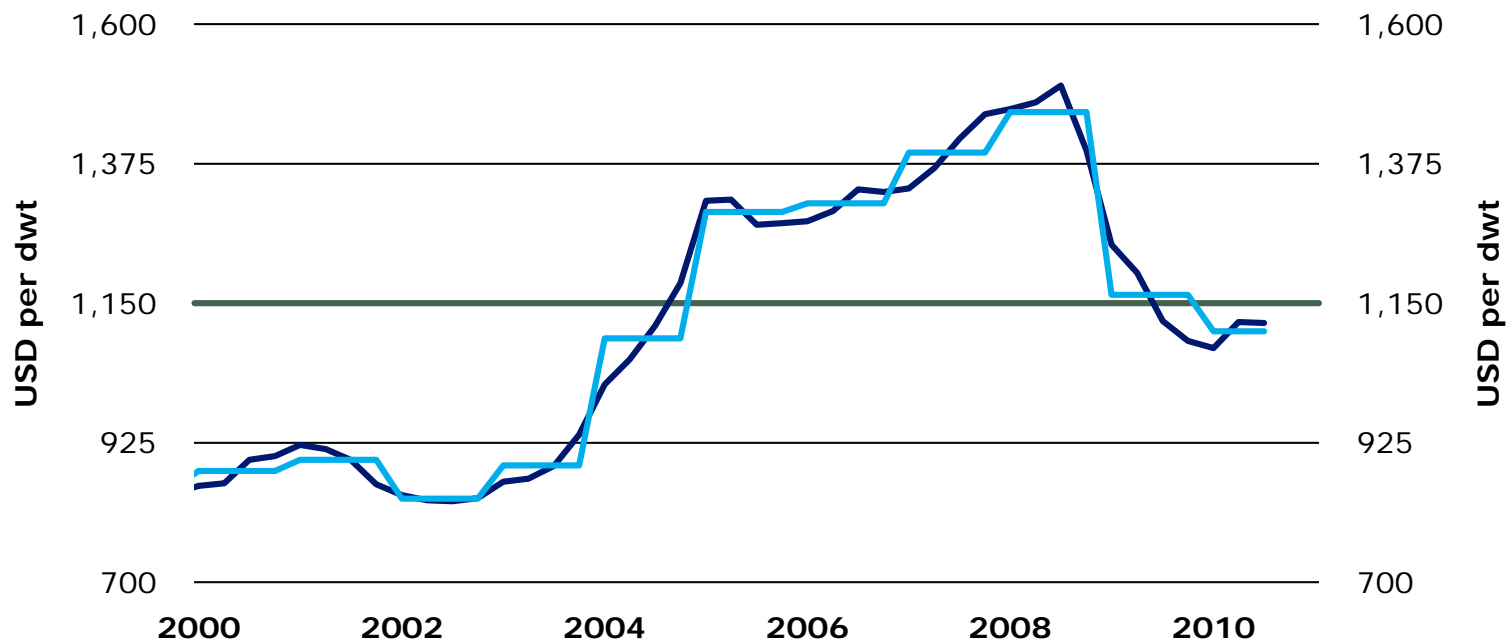


Sources: Clarksons, Danish Ship Finance

* Container, Tankers, Dry Bulk
 ■ World Contracting ■ World Deliveries

EARNINGS AND ASSET VALUES

The average newbuilding price has dropped 25% from its peak in 2008 and 5% from its 2009-level



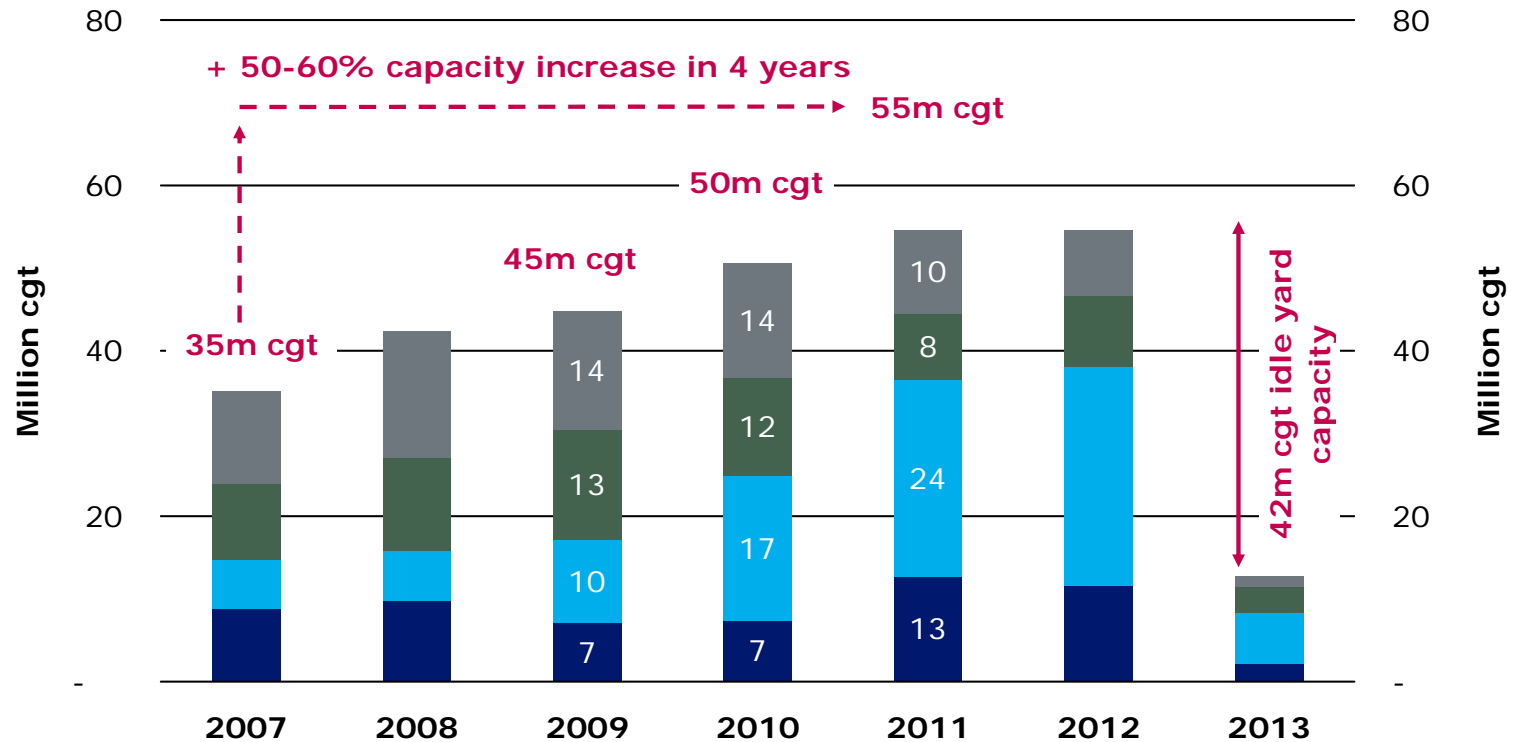
Sources: Clarksons, Danish Ship Finance

— Average newbuilding price — Annual average

SHIP BUILDING

Scheduled deliveries after postponements

Risk of 42m cgt idle yard capacity in 2013



Sources: Clarksons, Danish Ship Finance

■ Container ■ Dry Bulk ■ Tanker ■ Other

SUMMARY

SUMMARY

1. Global trade volumes at 2008 levels
2. Supply up 15-20% from 2008 to 2010
3. Orderbook / fleet ratio of 39%
4. Demand unlikely to absorb supply
5. Gloomy outlook for secondhand prices
6. Future newbuilding prices remain shrouded in uncertainty

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