The Odin Marine Group

Weekly Chemical Market Review - Week 15, 2010

Freight Assessment

Loading Houston:

	1,000 Mts	3,000 Mts	5,000 Mts	10,000 Mts
Rotterdam	68/69	52/53	47/48	44/45
Aratu/Santos	72/75	55/56	48/51	40/41
Turkey	95/96	78/79	62/63	57/58

Houston/Rotterdam

1 Month Projection = STABLE/WEAKENING

Last week's eastbound transatlantic spot activity concentrated mainly around Ethanol and Aromatics cargoes quoted in the market, however, the recently opened Arb was closing very quickly, impeding actual conclusion of business resulting in many fixtures failing subs. Traders fixed 4.5kt Ethanol on the "MTM Fairfield", HTC range/Rotterdam, rate around USD mid 50s, loading end April. An enquiry was also seen for 8.6kt Ethanol ex Albany to UK/ Thames for end April shipment time. 8kt Cyclohexane was fixed ex USG for ARA, rate around USD low 50s pmt. Due to the turmoil in the financial markets, chemical stocks and Crude Oil prices ended the week in a decline, as the SEC accused Goldman Sachs with misleading customers about its collateralized debt obligations which are tied to the mortgage backed securities markets.

Loading Houston:

	1,000 Mts	3,000 Mts	5,000 Mts	10,000 Mts
Mumbai	113/118	98/103	88/93	73/78
M.P. Fareast	91/97	75/79	50/55	46/50
M.P. China	100/105	79/82	65/70	58/65

Houston/MPFE

1 Month Projection = WEAKENING

Demand from ASIA has slowed considerably and over tonnage in the USG was very evident with all regular players having space to offer for prompt/first half May loading. In addition, vessel positions for 2nd half May are also expected to be abundant. Consequently, freight rates have begun to come under pressure as Owners struggle to find firm cargoes and are competing heavily against each other for any potential business. US economic data continues the upward trend, as factory production data for March showed an increase of 0.9%, following February's increase of 0.2% and unemployment figures were lower, in line with expectations for the recovery. Chemical producers are expected to report strong earnings for Q1 where low feedstock prices based on cheap natural gas allowed companies to be very competitive internationally.

Loading Rotterdam:

	1,000 Mts	3,000 Mts	5,000 Mts	10,000 Mts
USEC	74/75	52/54	32/33	29/30
Houston	74/75	52/54	32/33	29/30
Med	61/62	41/42	31/32	

Rotterdam/Houston

1 Month Projection = STABLE/WEAK

Owners have complained that spot activity on the transatlantic westbound route has been very thin during the past weeks. The commodities regularly quoted in the market still continue to be mainly CPP, Caustic Soda, PX and Pygas, however, the actual cargoes ultimately fixed are limited. PX, which is regularly shipped to the USEC, has slowed and current market pricing increases have dictated that the best options for traders is to keep the product in N. Europe or to sell into Mediterranean accounts. 10kt Pygas was fixed, ARA to USG for prompt loading, at a rate estimated around USD 40 pmt and 16 kt Caustic Soda was fixed to USEC for end Apr/early May at USD high 20s pmt. Germany's GDP is expected to grow 1.7% in 2010 and 1.8% in 2011.

Loading Santos:

	5,000 Mts	10,000 Mts
Rotterdam	51/53	42/44
USG	48/50	40/42
India	67/70	57/60
Main Port Asia	82/87	72/77

Based on current spot market conditions for simple chemicals on major approved tonnage.

Latin America

1 Month Projection = STABLE/WEAK

The market continues to be quiet for Ethanol and Biodiesel exports from South America. Ethanol shipments have dropped 76% year over year in March. As the market tightens for Ethanol, some increasing effect has been seen for Hydrous Ethanol product pricing. Biodiesel shipments ex Argentina included 10kt fixed on the "Torm Cecile" to Spain; 10kt on the "Bow Flora" and 9kt on the "Chembulk Gibraltar", both for Rotterdam destination, rates around USD 50 pmt. Petrobras and Sinopec have signed a strategic agreement to evaluate business opportunities in exploration, production and downstream for petrochemicals and fertilizers. Discussions were held for a Sinopec's participation in the Rio de Janeiro Comperj cracker complex, nameplate capacity 1.3 mill mt/yr Ethylene and 900kt/yr Propylene, together with downstream production units.

LOADING ULSAN:

	1,000 Mts	3,000 Mts	5,000 Mts	10,000 Mts
Houston	90/95	80/85	65/69	57/59
Rotterdam	100/105	87/92	70/74	63/66
Mid China	25/27	21/23	16/18	13/15

LOADING SINGAPORE:

	1,000 Mts	3,000 Mts	5,000 Mts	10,000 Mts
Houston	97/103	85/89	75/80	65/70
Rotterdam	92/97	80/84	70/75	60/65
Mid China	43/45	39/41	36/38	32/34

EX ASIA

1 MONTH PROJECTION = STABLE

Palm Oil demand in the Asian region has slowed and consequently traders are being very aggressive to obtain low freight rates and get deals done. In the Northbound Asia route, freight rates for Palms ex the Straits to Mid China are in the low/mid USD 20s range which makes chemicals a more preferred choice of cargos for most Owners if they have that option. While contract nominations are being finalized, the majority of Owners are fixing their spot space for 1st H May loading however, some are now discussing also 2nd H May dates. In the Intra FEA/Southbound route, cargoes are being fixed for 1st H May loading and space is available. Heavy Naphtha buying continues for the region with Taiwan set to import about 300kt of Naphtha for the 2nd H May and Korea over 150kt for May. China GDP in Q1 grew 11.9%, however, the month of Mar recorded their first monthly trade deficit in about six years; mainly attributed to the strong demand for feedstock imports in the past months. China is still expected to maintain a healthy surplus for most of this year.

LOADING ARABIAN GULF:

	5,000 Mts	10,000 Mts	15,000 Mts
Singapore	53/58	48/52	40/43
ARA	72/77	62/67	53/58
Mumbai	33/36	26/30	20/24

EX ARABIAN GULF

1 MONTH PROJECTION = STABLE

Spot activity was stable for the AG region in the past week however, technical problems continue at IPCC's two Assaluyeh Methanol production plants due to lack of utilities, water, electricity steam. The plants are not running at full capacity and operating rates have been reduced to 65% & 80%respectively. Crude Oil price for Mar reached the highest monthly average since Sept 08 when the global financial crisis began. The average at USD 77.21 /bbls, is about 70% higher than last year. The high Euro, Greece fiscal problems and rising worldwide economic growth are attributed as factors raising the price level.

LOADING ROTTERDAM:

	1,000 Mts	3,000 Mts	5,000 Mts	10,000Mts
Mumbai	88/89	76/77	74/76	58/60
Singapore	82/83	72/74	70/71	66/67
China	96/97	86/87	83/84	77/78
M.P. Fareast	94/95	83/84	77/78	74/75

CONT-MED/AG-INDIA AND MPFE

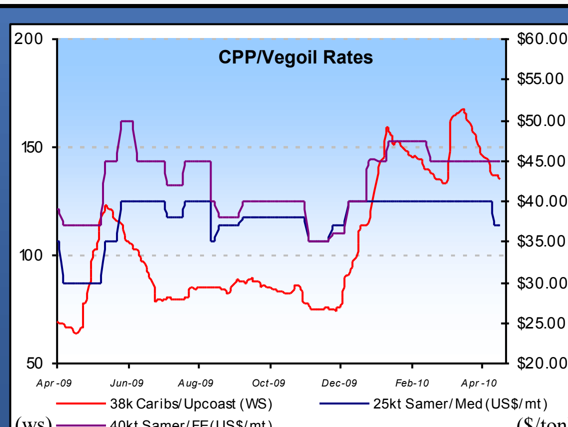
1 MONTH PROJECTION = STABLE/SOFTENING

Market activity in Europe continues to be weak as Asian enquiries have disappeared after the flurry of feedstock buying before the Holidays. Short term forecasts are for more weakness in the coming weeks, same as seen from the USG for Far East markets. Contract nominations are maintaining a certain steadiness for regular Owners who are still managing to find small completion cargoes to fill up their space. Stolt filled up their prompt position with lubes and next spot space will be around mid/2nd H May on the "Stolt Innovation", about 5—8kt, depending on contract nominations. Odfjell has "Bow Ryad" with some spot space mid May, Tokyo Marine is almost full for end April and next position will be "Ginga Lion", 20-30 May with about 5kt space.

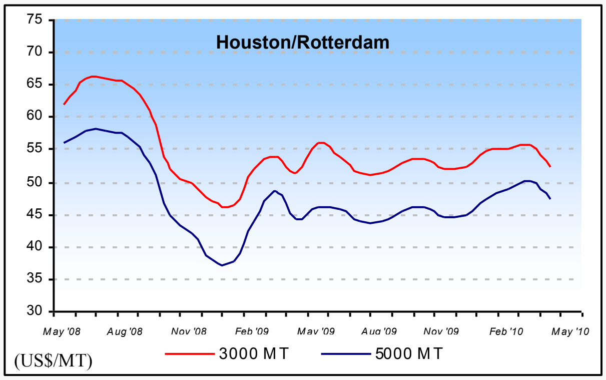
CPP/VEGOILS MARKET

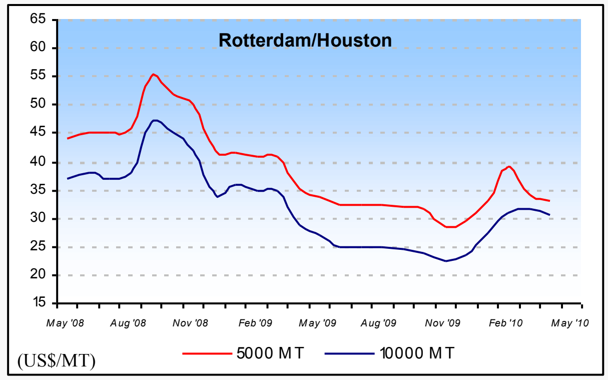
The clean petroleum product tanker trade slipped this week, falling to 38,000mt/ws135 (about US$4,871/day) for a standard Caribs/Upcoast voyage. For a customary Cont/TA voyage rates dropped to 37,000mt/ws165 (about $8,286/day). We expect much of the same next week with rates to remain suspended in this historic low.

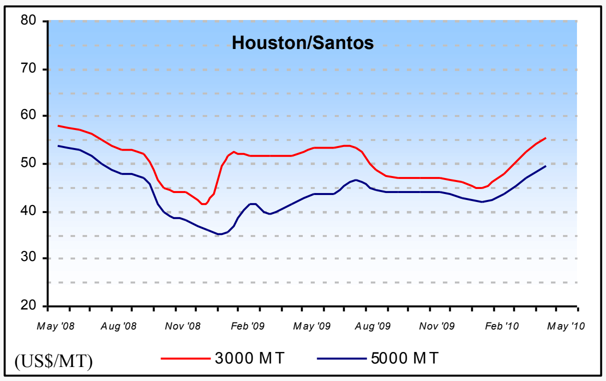
The South American vegoil trade is currently slow, as China is still not in the market. As a result, we're seeing an oversupply of vessels in the ECSA.

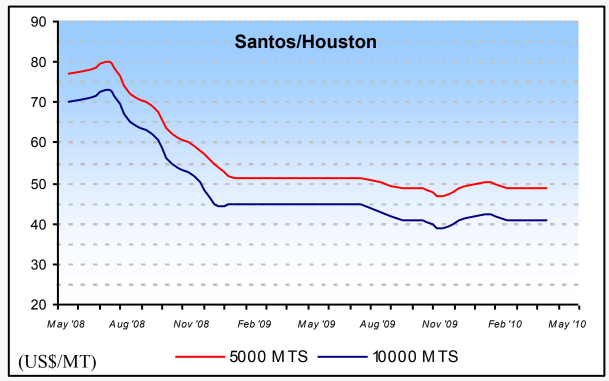


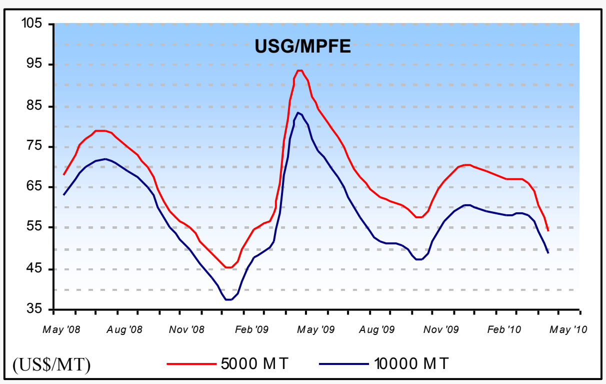
Freight Rates

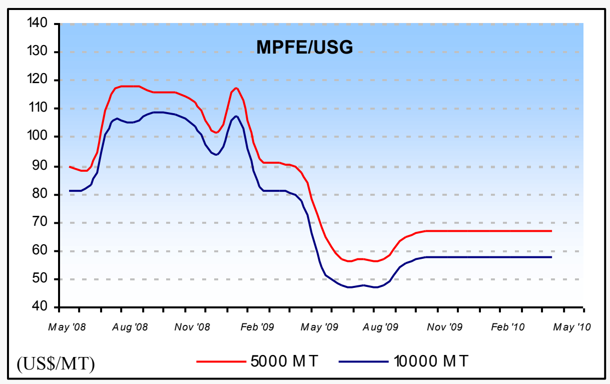


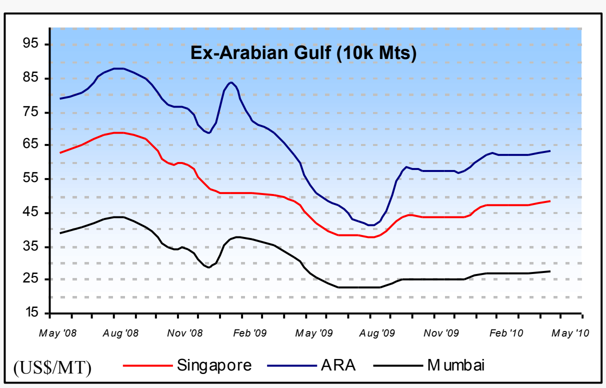


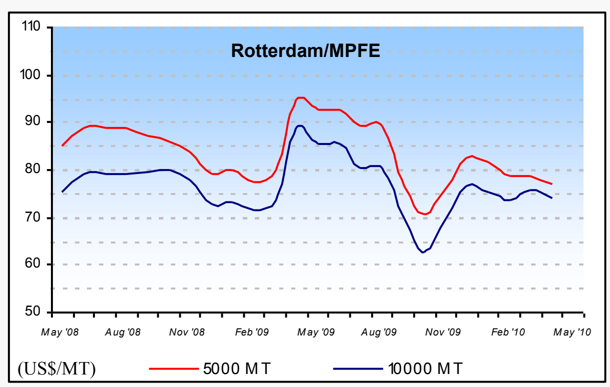




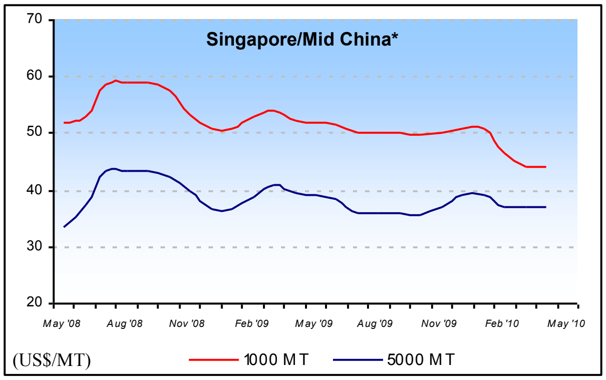


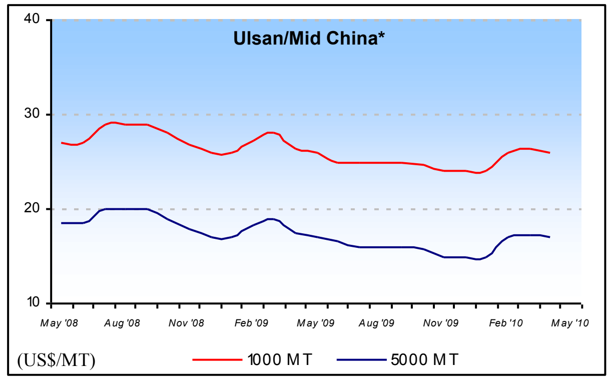






FREIGHT RATES (CONT.)





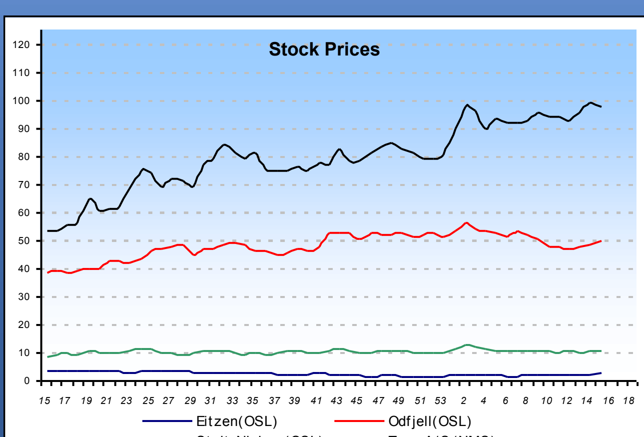
*Mid China rates exclude upriver; add US$ 3-5 from Singapore and $3 from Ulsan for calling upriver.

SALES, PURCHASE & PRODUCTION:

- Usuki NB x2- 19,900 dwt, delivery 2010/2011 Usuki (stainless steel, IMO II), rumored sold to MTM for USD 28 mill each.
- M/T "Southern York"- 6,545 dwt, built 2003 Shitanoe (stainless steel, IMO II/III), reported sold to Sinochem for USD 10.3 mill.
- M/T "High Rider"- 41,502 dwt, built 1991 Imabari (double hull, epoxy coated), reported sold to undisclosed buyers for USD 7 mill.
- M/T "FR8 Adria"- 46,941 dwt, built 2005 Brod. 3 Maj (epoxy coated, IMO II), reported sold to Kassian, Greece for USD 26.75 mill.
- M/T "Zao Express"- 45,744 dwt, built 2004 Minami Nippon (epoxy coated), reported sold to undisclosed buyers for USD 24 mill.

FEATURED COA TRENDS:

ECCAN/USG: ↔ AG / CONT: ↔ USG / SAMER: ↔



ODIN VESSEL SUPPLY INDEX: