



Newbuilding cancellations

DNV Market Intelligence

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11 May 2010

Once upon a time.....October 2008

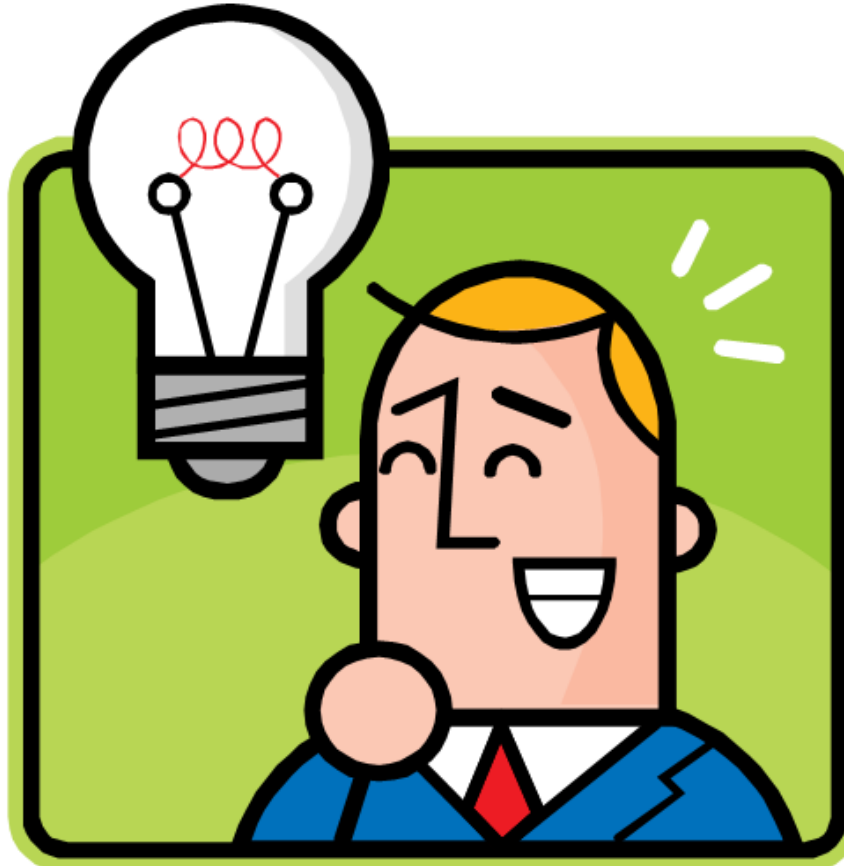


Shipping severely affected

- Trade affected by credit crunch as banks stopped credit lines for buyers
- Banks reluctant to lend more money for newbuildings – contracting practically stopped
- Yards struggle trying to get refund guarantees
- Massive slowdown in the seaborne transportation - deterioration of freight rates
- October 2008: First wave of cancellations
- Drama in the market, around 2000 vessels laid up
- No information available on cancellations
- Lack of transparency
- Banks, Brokers, yards were quiet



Sources and methodology used by DNV Market Intelligence special agents!



THE cancellations database

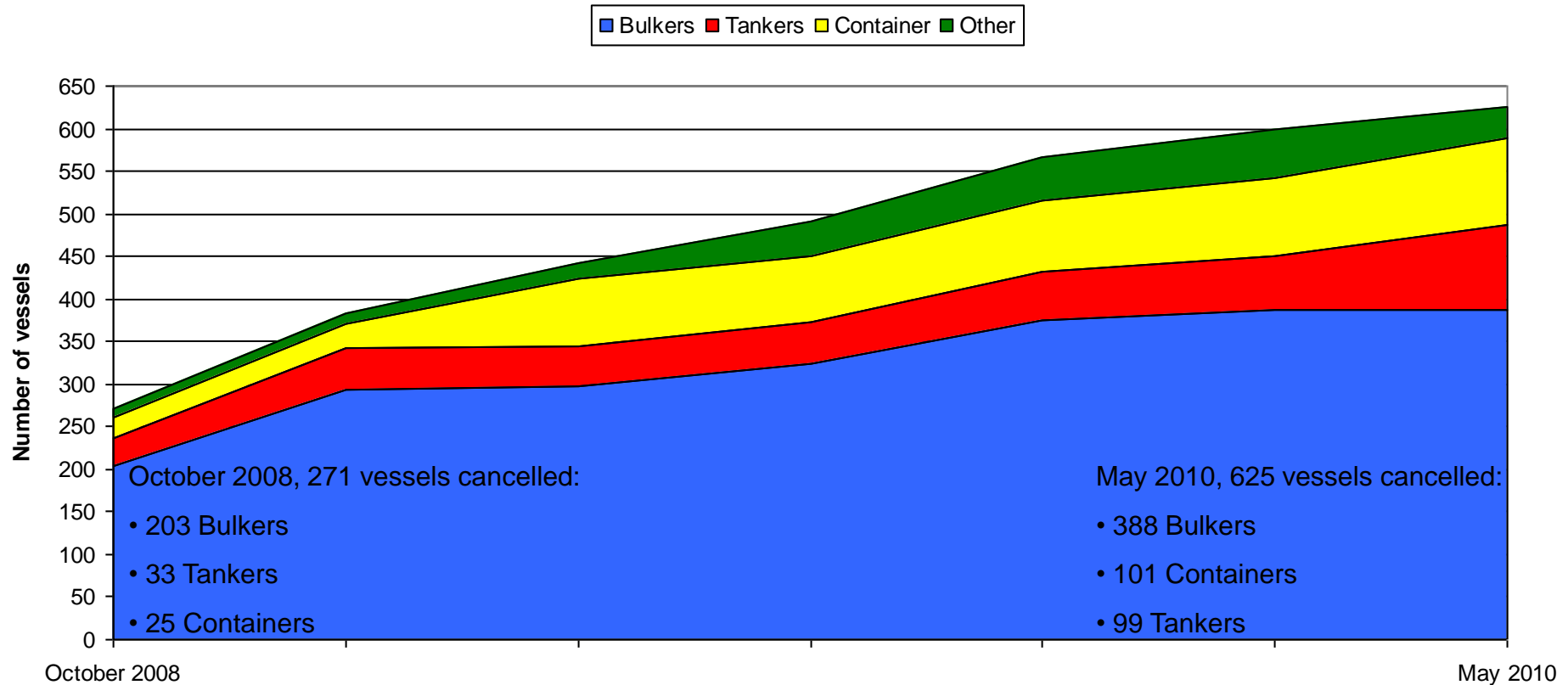
Status in LRF DB	IMO number from LRF	Main_Vessel_Type	Sub_Type	DWT	GT	Size	Builder	Builder_CoD	Yard group
On Order	9387499	Tanker	Oil tanker	12 800	8 500	Small 10K to 60K DWT	Alcock Ashdown (Gujarat) Ltd	India	Established
On Order	9387504	Tanker	Oil tanker	12 800	8 500	Small 10K to 60K DWT	Alcock Ashdown (Gujarat) Ltd	India	Established
On Order	9387516	Tanker	Oil tanker	12 800	8 500	Small 10K to 60K DWT	Alcock Ashdown (Gujarat) Ltd	India	Established
On Order	9387528	Tanker	Oil tanker	12 800	8 500	Small 10K to 60K DWT	Alcock Ashdown (Gujarat) Ltd	India	Established
On Order	9356816	Tanker	Chemical Tanker	19 800	12 000	Small 10K to 60K DWT	Amurskiy Shipbuilding Factory	Russia	Established
On Order	9374466	Tanker	Chemical Tanker	19 800	12 000	Small 10K to 60K DWT	Amurskiy Shipbuilding Factory	Russia	Established
On Order	9374478	Tanker	Chemical Tanker	19 800	12 000	Small 10K to 60K DWT	Amurskiy Shipbuilding Factory	Russia	Established
On Order	9374480	Tanker	Chemical Tanker	19 800	12 000	Small 10K to 60K DWT	Amurskiy Shipbuilding Factory	Russia	Established
On Order	9358814	Tanker	Chemical/Oil Tanker	10 000	7 000	Small 10K to 60K DWT	ASL Shipyard Batam	Indonesia	Established
?	?	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
?	?	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9428736	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9489259	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9479060	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9480265	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9477103	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9428944	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9442201	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9460069	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9489338	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9428968	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9428956	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9460150	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9479072	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9489340	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9500417	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9500429	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9460162	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9489352	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9460174	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9479084	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9489364	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9462677	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9489376	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9493315	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield
Cancelled	9477062	Bulker	Bulker	81 000	40 500	Panamax 60K - 100K DWT	C& Heavy Industries Co Ltd	Korea (South)	Greenfield

The database covers the following fields: IMO, vessel type, DWT, GT, Builder, type of yard, Builder CoD, Class, contract date, delivery date, owner, owner CoD and source of information

Cancellations overview

Cancellations development

Estimated cancellations of newbuilding contracts since October 2008
Cancellations development in number
Data based upon DNV Market Intelligence as of May 2010

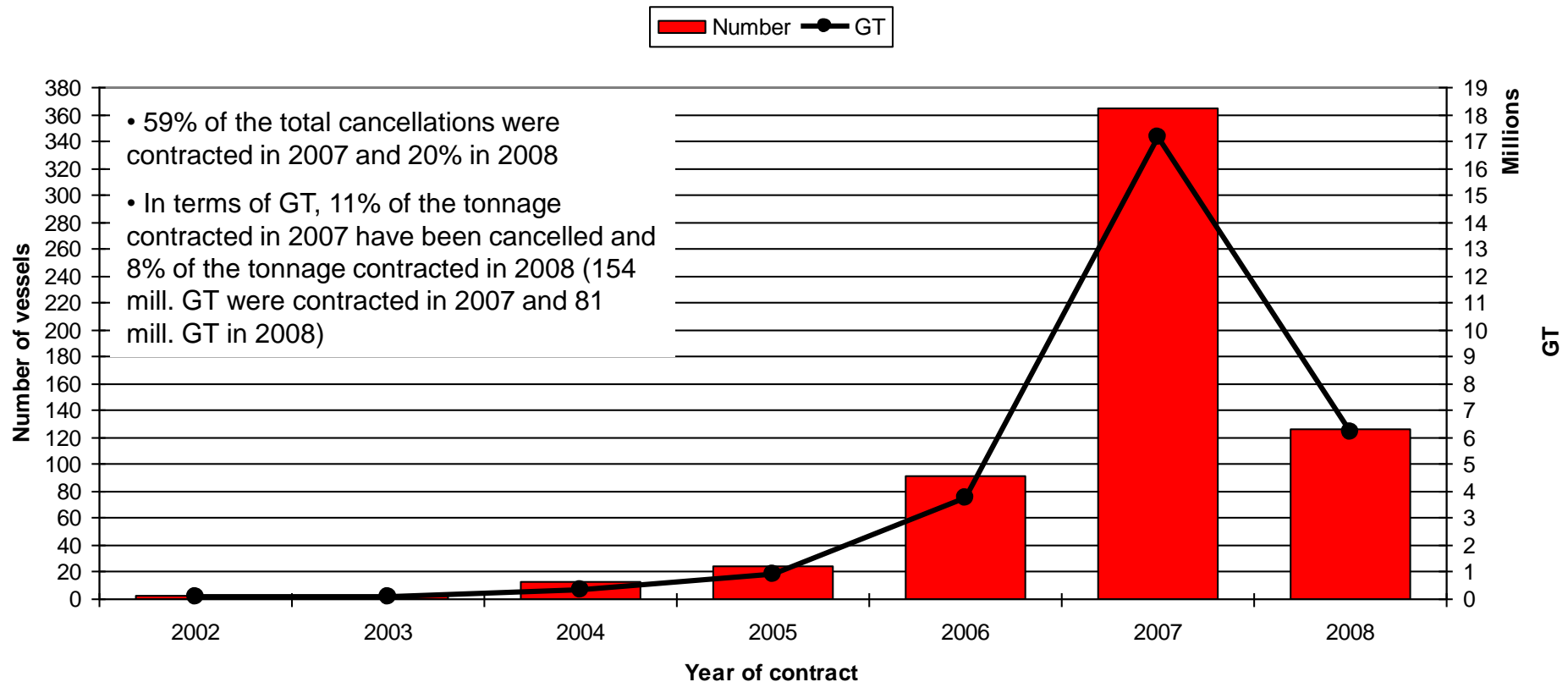


Cancellations by year of contract

Estimated cancellations of newbuilding contracts since October 2008

Year of contract

Data based upon DNV Market Intelligence as of May 2010

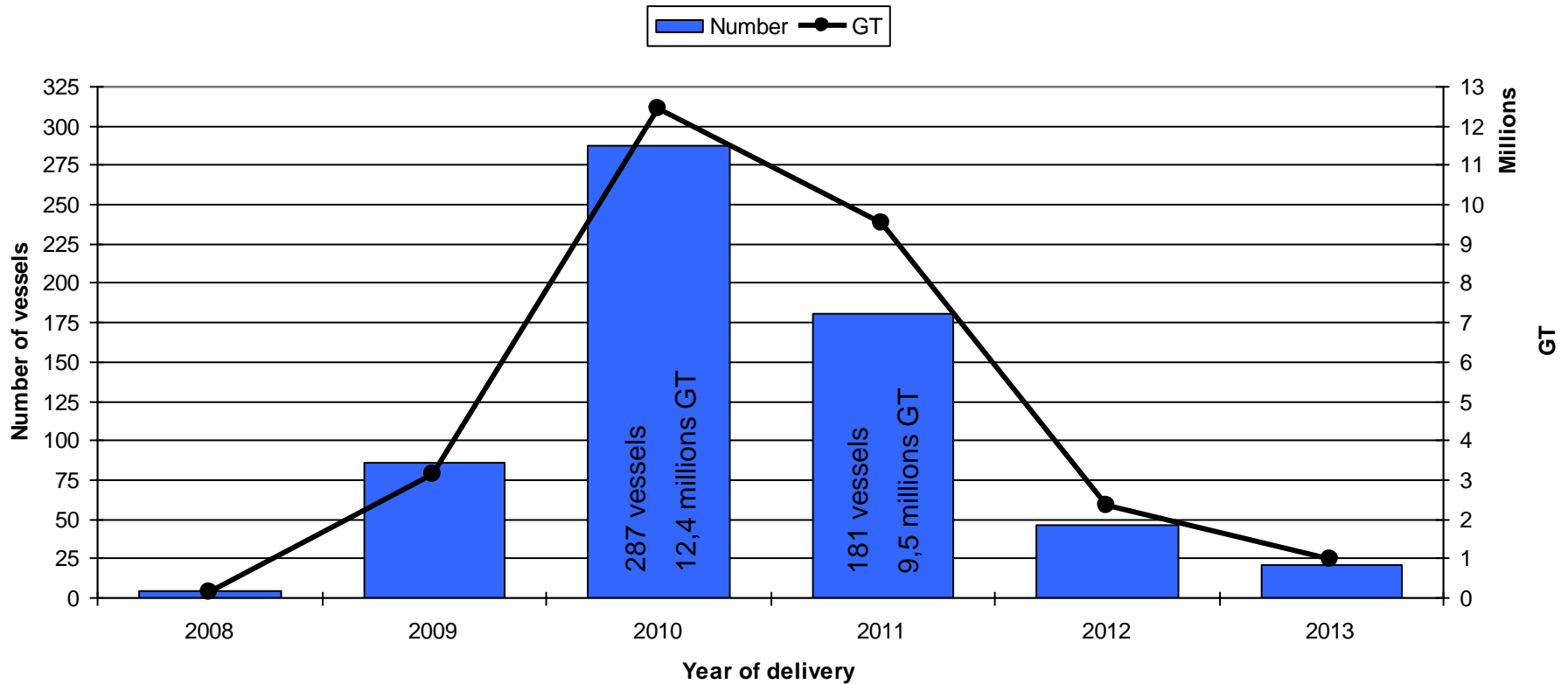


Cancellations by year of delivery

Estimated cancellations of newbuilding contracts since October 2008

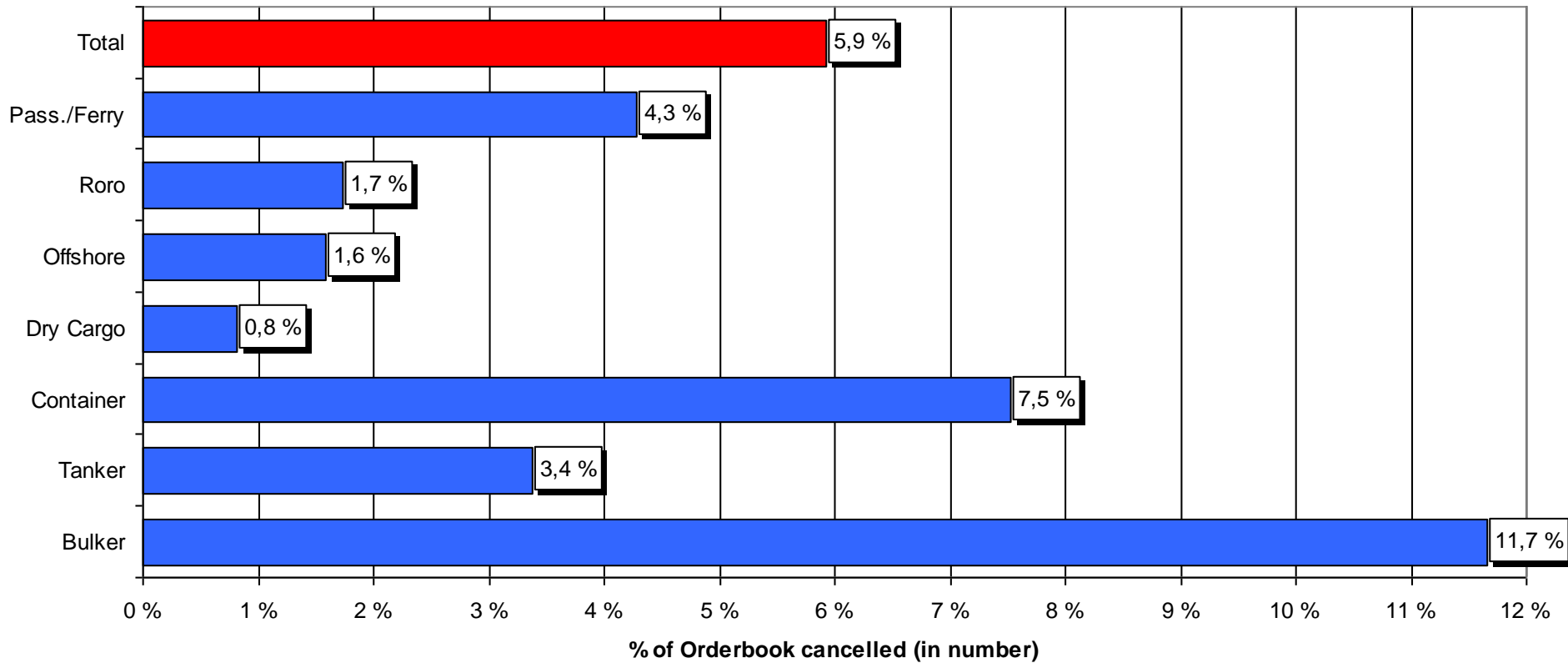
Year of delivery

Data based upon DNV Market Intelligence as of May 2010



% of October 2008 Orderbook cancelled

Estimated cancellations of newbuilding contracts since October 2008
% of October 2008 Orderbook cancelled in number
Data based upon DNV Market Intelligence as of May 2010

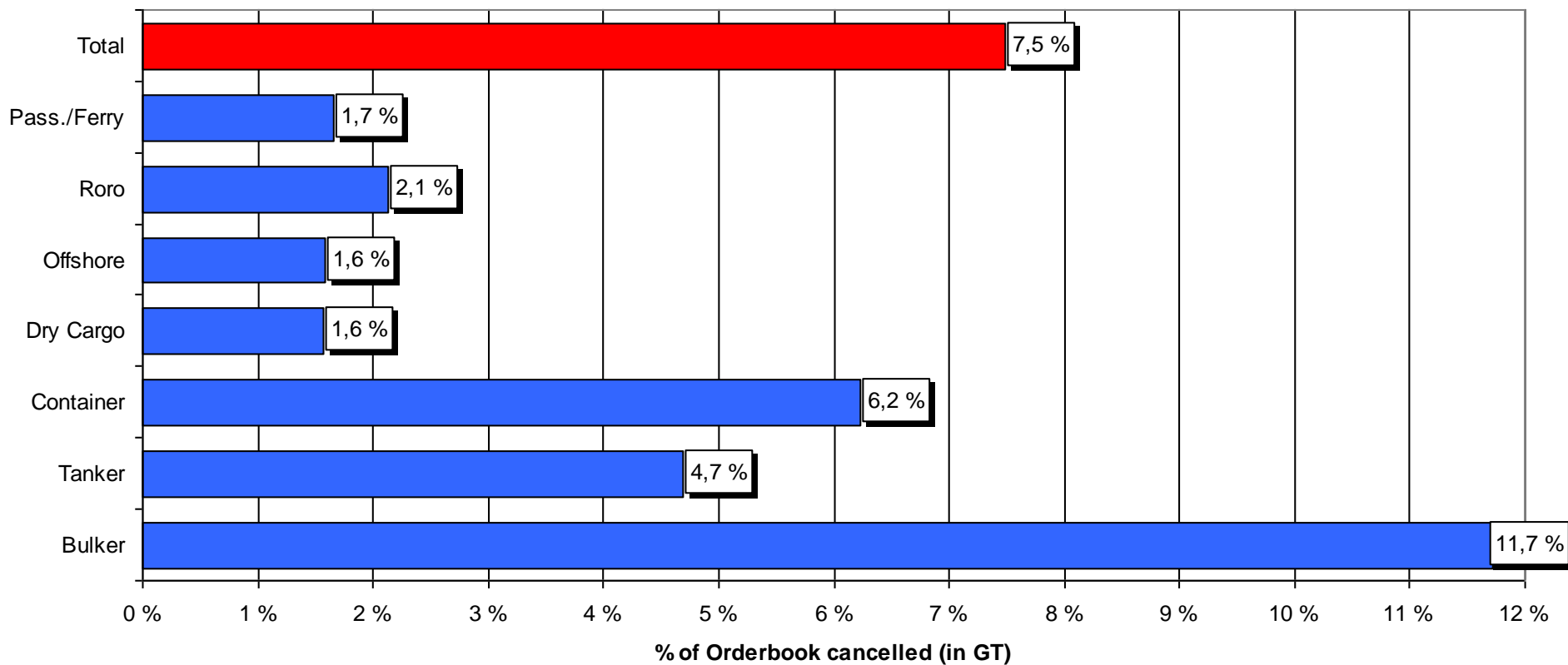


% of October 2008 Orderbook cancelled

Estimated cancellations of newbuilding contracts since October 2008

% of October 2008 Orderbook cancelled in GT

Data based upon DNV Market Intelligence as of May 2010

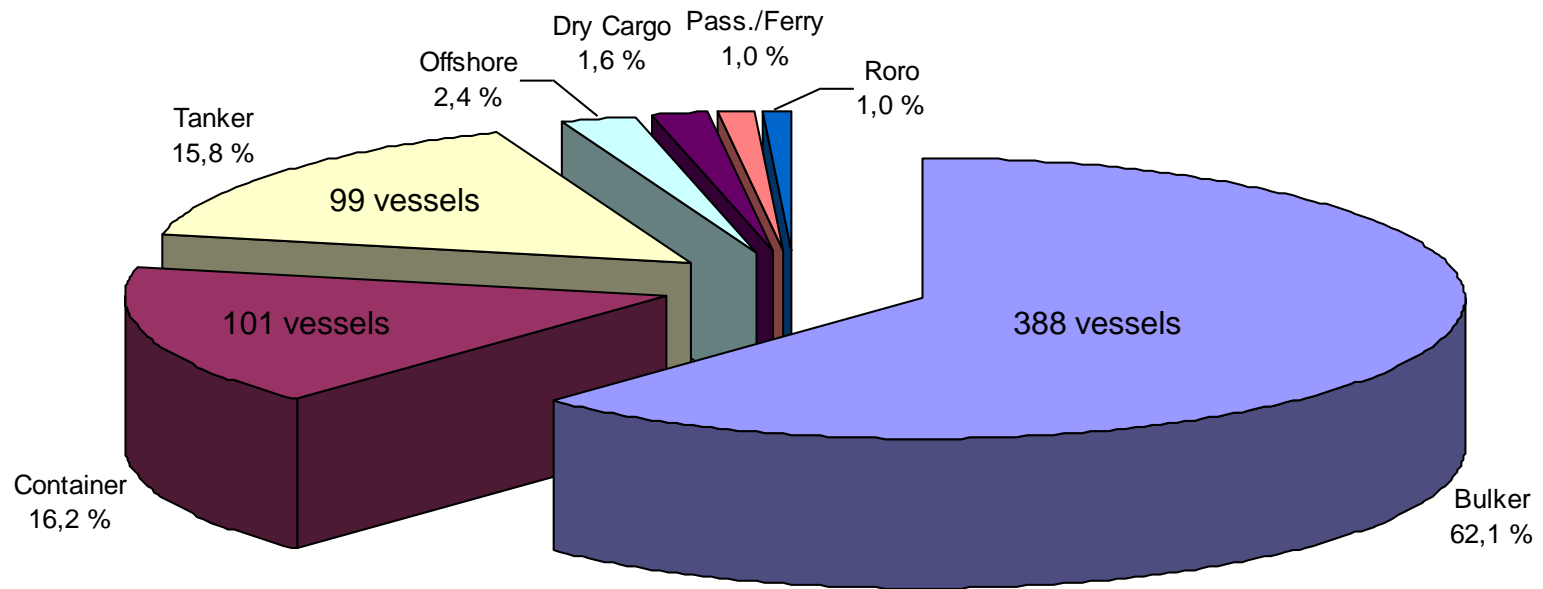


Cancellations by ship types

Estimated cancellations of newbuilding contracts since October 2008

Ship types in number of vessels

Data based upon DNV Market Intelligence as of May 2010

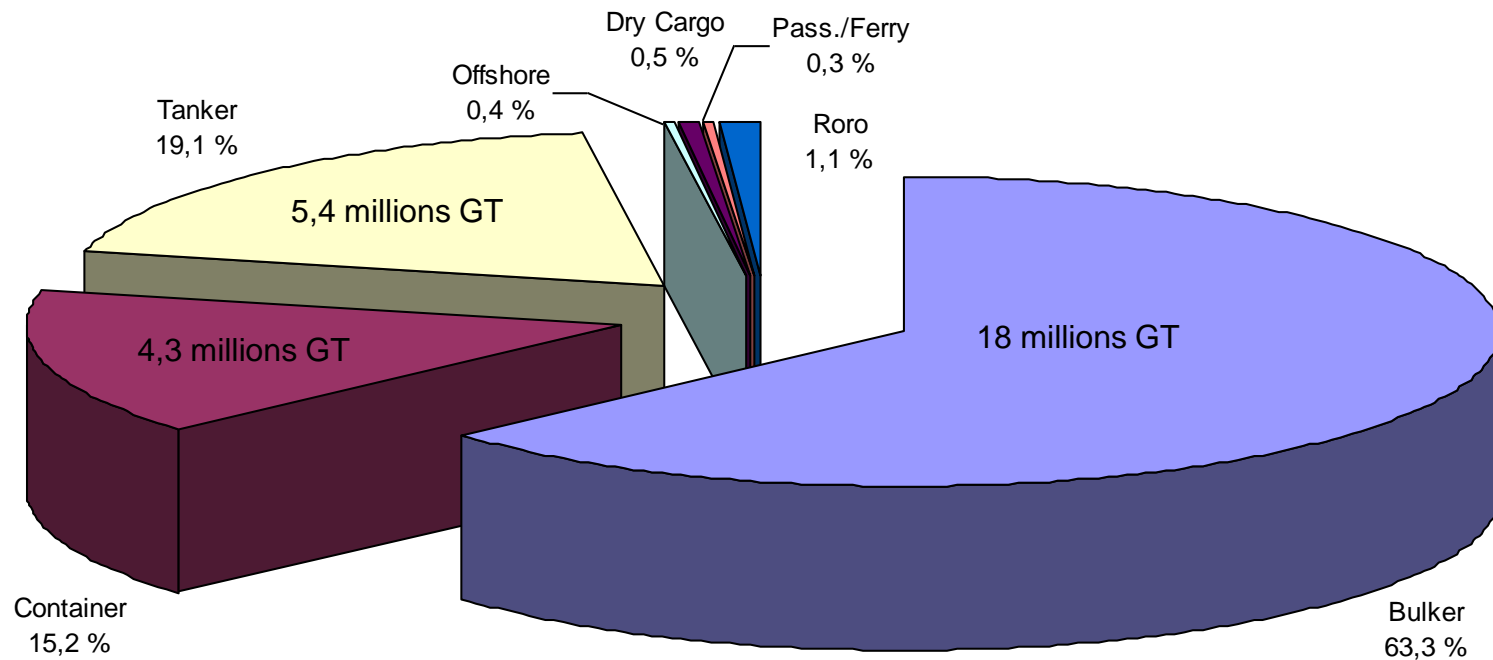


Cancellations by ship types in GT

Estimated cancellations of newbuilding contracts since October 2008

Ship types in GT

Data based upon DNV Market Intelligence as of May 2010



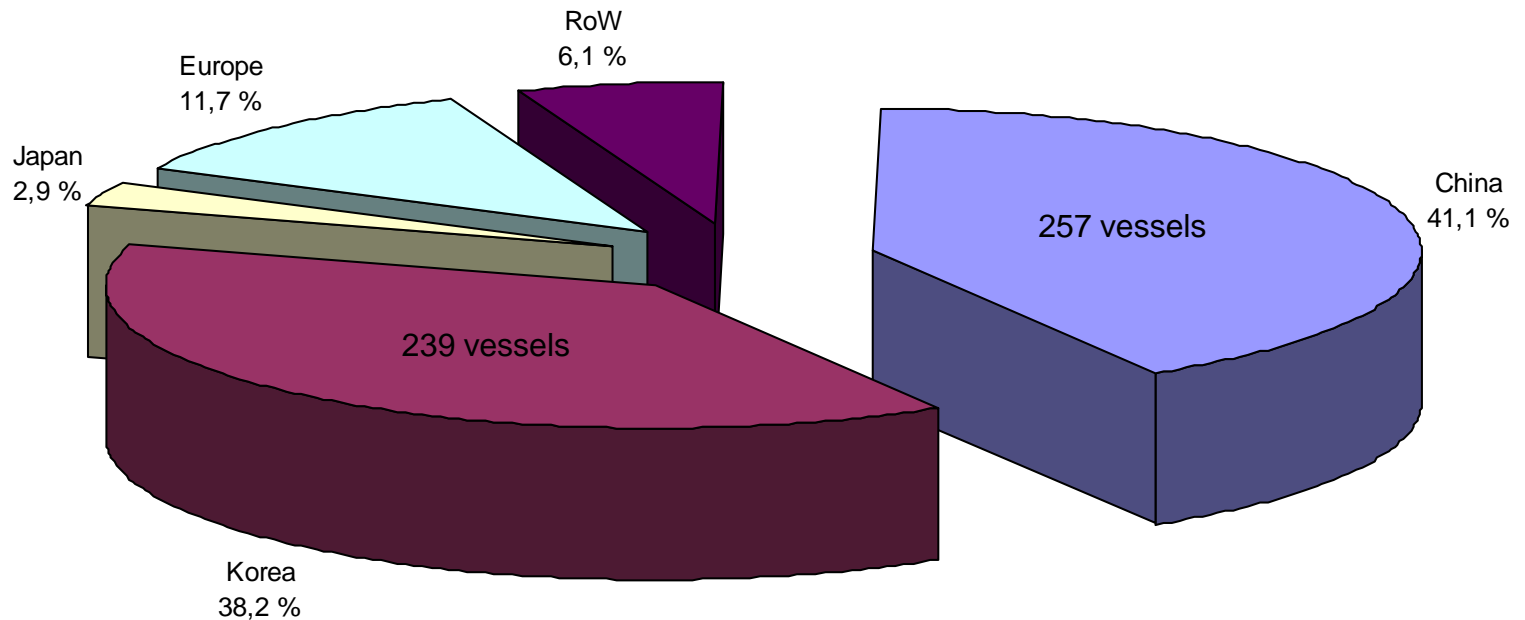
Cancellations by ship types and sizes

Ship types	Sizes	Number	GT
Bulkers	Handysize 10K - 35K DWT	71	1 484 925
Bulkers, 58% of the cancellations are Handymaxes and Panamaxs	Handymax 35K - 60K DWT	130	3 972 198
	Panamax 60K - 100K DWT	94	4 163 718
Capesize and VLBCs	Capesize 100K - 200K DWT	87	7 600 288
	VLBC over 200K DWT	6	803 484
Total Bulkers cancelled		388	18 024 613
Tankers	Below 10K DWT	11	49 069
Small tankers and Suezmaxes are the most affected	Small 10K to 60K DWT	40	822 560
	Panamax 60K - 80K DWT	7	347 100
	Aframax 80K - 120K DWT	5	296 295
	Suezmax 120K - 200K DWT	24	2 032 878
	VLCC over 200K DWT	12	1 902 672
Total Tankers cancelled		99	5 450 574
Containers	Feeder below 1000 TEU	20	127 680
Handy and Sub-Panamax	Handy 1000 TEU to 1700 TEU	18	370 810
	Sub Panamax 1700 TEU - 2900 TEU	31	1 010 360
	Panamax 2900 - 4600 TEU	14	694 980
	Post Panamax over 4600 TEU	18	2 126 642
Total Containers cancelled		101	4 330 472
Offshore vessels	N/A	15	100 765
Dry Cargo vessels	N/A	10	154 300
Roro vessels	N/A	6	316 306
Pass./Ferry vessels	N/A	6	94 500
Grand TOTAL	N/A	625	28 471 530

- Recently recorded cancellations of offshore vessels
- Cancellations of Car carriers

Cancellations by builders' CoD

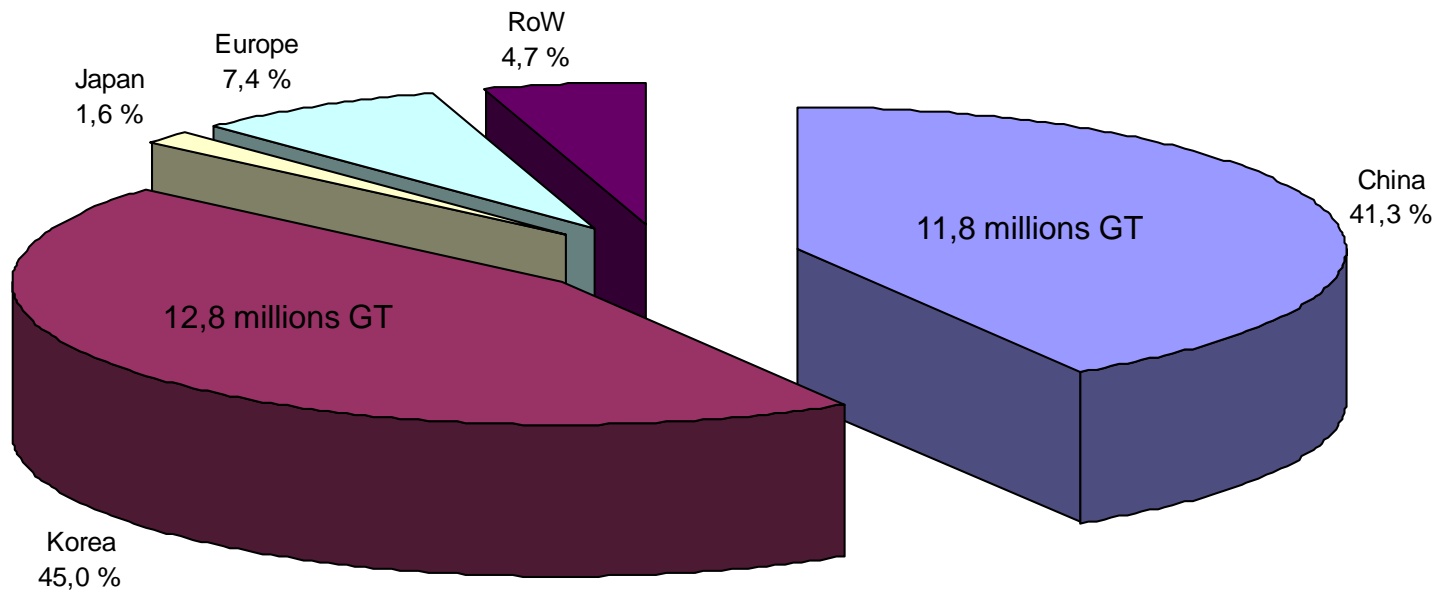
Estimated cancellations of newbuilding contracts since October 2008
Builders' CoD in number of vessels
Data based upon DNV Market Intelligence as of May 2010



China and Korea represent 80% of all cancellations

Cancellations by builders' CoD

Estimated cancellations of newbuilding contracts since October 2008
Builders' CoD in GT
Data based upon DNV Market Intelligence as of May 2010



China and Korea represent 86% of all cancellations

Cancellations by main ship types and type of yards

Ship types	Type of yards	Number	Shares (%)	GT	Shares (%)
Bulkers	Established	176	45,4 %	8 147 008	45,2 %
	Greenfield	125	32,2 %	5 777 388	32,1 %
	Newly Established	75	19,3 %	3 717 113	20,6 %
	Expansion	12	3,1 %	383 104	2,1 %
Total Bulkers cancelled		388	100,0 %	18 024 613	100,0 %
Tankers	Established	83	83,8 %	3 835 369	70,4 %
	Newly Established	11	11,1 %	959 205	17,6 %
	Greenfield	5	5,1 %	656 000	12,0 %
Total Tankers cancelled		99	100,0 %	5 450 574	100,0 %
Containers	Established	77	76,2 %	3 105 712	71,7 %
	Greenfield	10	9,9 %	399 000	9,2 %
	Expansion	10	9,9 %	285 760	6,6 %
	Newly Established	4	4,0 %	540 000	12,5 %
Total Containers cancelled		101	100,0 %	4 330 472	100,0 %

Established yard: over 2 years of production

Newly established yard: any yard that delivered its first vessel in the past 2 years

Expansion: any yard tripling output between 2008 and 2011

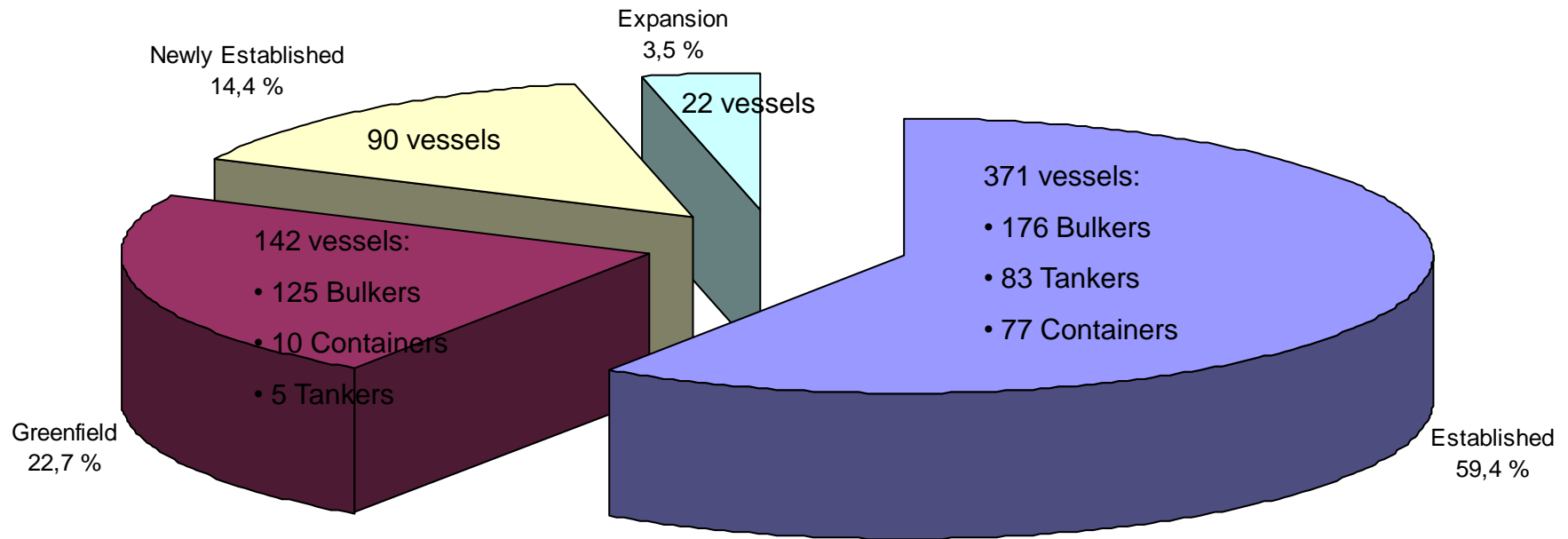
Greenfield: orders taken but never delivered a vessel

Cancellations by type of yards

Estimated cancellations of newbuilding contracts since October 2008

Type of yards in number of vessels

Data based upon DNV Market Intelligence as of May 2010

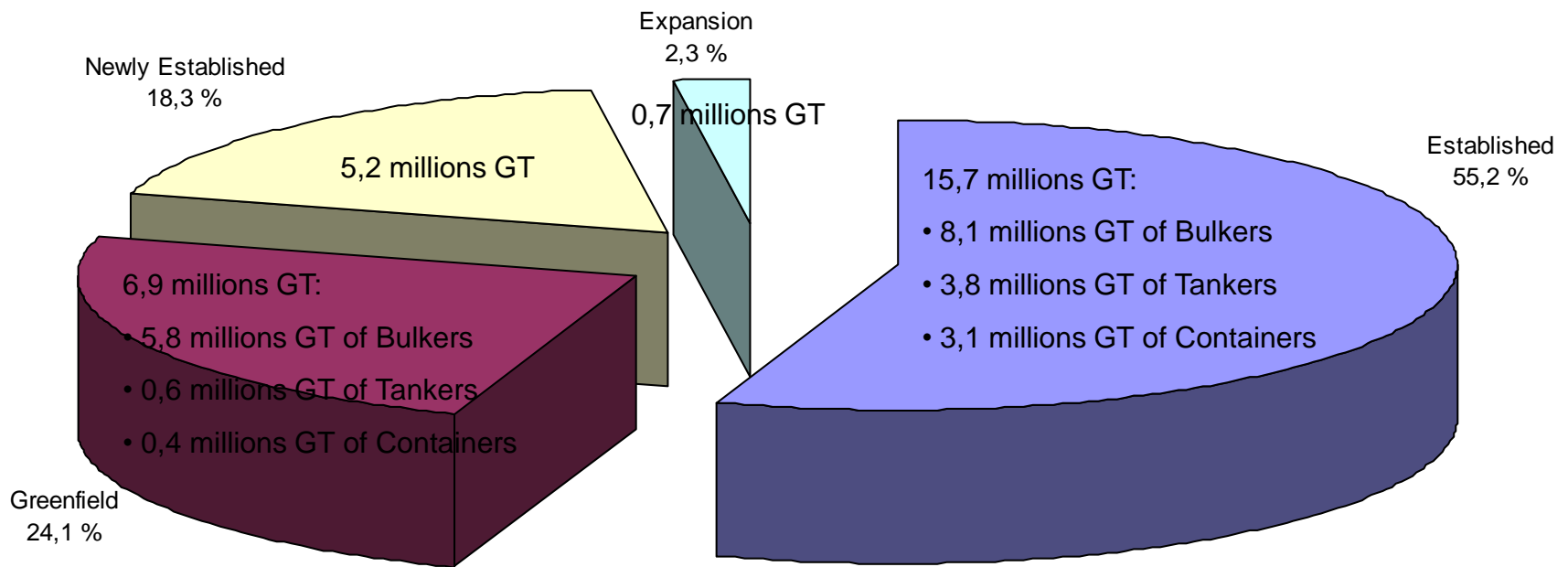


Cancellations by type of yards

Estimated cancellations of newbuilding contracts since October 2008

Type of yards in GT

Data based upon DNV Market Intelligence as of May 2010



Cancellations by owners' CoD

Owners' CoD	Number	Shares (%)	GT	Shares (%)
Germany	140	22,4 %	5 689 465	20,0 %
Greece	65	10,4 %	4 885 580	17,2 %
Marshall Islands	21	3,4 %	1 014 317	3,6 %
Norway	19	3,0 %	432 187	1,5 %
Italy	18	2,9 %	366 446	1,3 %
Turkey	18	2,9 %	838 300	2,9 %
Bermuda	16	2,6 %	1 639 489	5,8 %
Liberia	16	2,6 %	650 722	2,3 %
Korea (South)	15	2,4 %	1 121 966	3,9 %
Bahamas	12	1,9 %	276 000	1,0 %
Hong Kong	12	1,9 %	633 195	2,2 %
Poland	12	1,9 %	202 729	0,7 %
UAE	12	1,9 %	352 704	1,2 %
USA	12	1,9 %	245 460	0,9 %
India	8	1,3 %	467 800	1,6 %
Others	229	36,6 %	9 655 170	33,9 %
Total	625	100,0 %	28 471 530	100,0 %

Summary

- As of May 2008, 625 vessels have been cancelled representing 28,5 millions GT
- In terms of GT, 7,5% of the October 2008 orderbook have been cancelled
- Bulkers are the most affected with 388 cancellations followed by Containers with 101 cancellations and Tankers with 99 cancellations
- Handymaxes, Panamaxs and Capes have the biggest share of all cancellations in terms of number
- China and Korea represent 80% of all cancellations
- Most of the cancellations are from established yards (almost 60% number wise)
- 35% of the cancellations are from German and Greek owners

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