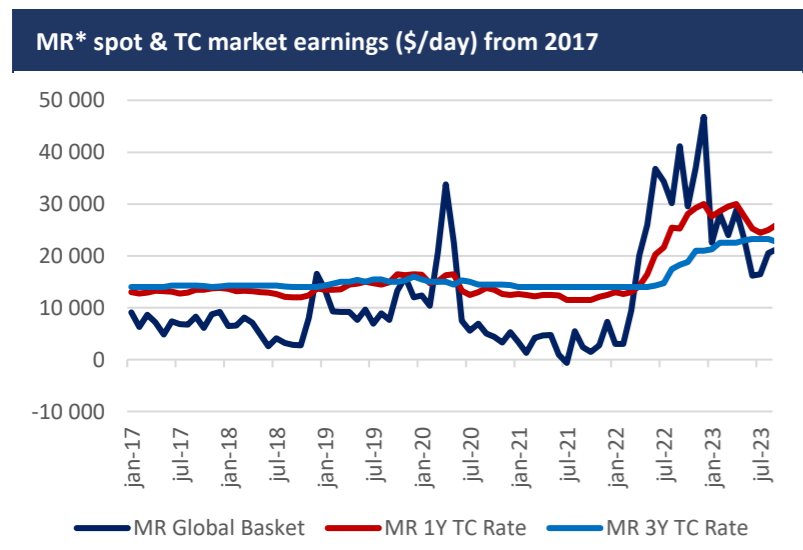


Monthly Oil and Tanker Market Update October 5, 2023

Disclaimer

This report and/or presentation is based on our knowledge of relevant market conditions. Our estimates are made on the basis of this knowledge, but other circumstances, or new circumstances, as well as general uncertainty could cause the market to develop differently. We take general reservation for misprints. Concordia Maritime is not responsible or liable for any damages or losses resulting or arising directly or indirectly from your use of the report.

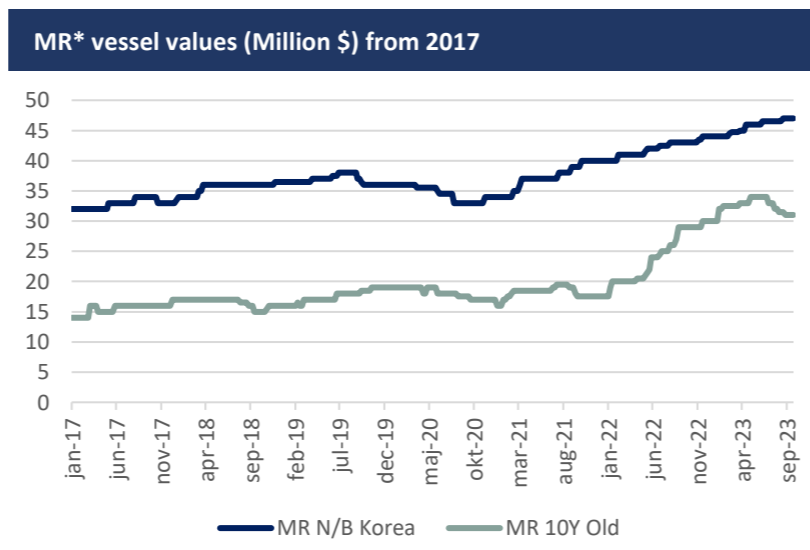
Product tanker earnings



Employment	Avg for Sep	Trend 1 month	YTD Avg	12 month ago	36 month ago
Spot global basket**	21 242	➔	22 330	41 142	5 020
T/C 1 year	26 000	➔	27 108	25 250	13 800
T/C 3 years	22 688	➔	22 688	18 250	14 500

*MR 47,000 DWT, non-scrubber, built after 2010
 **Global basket- simple Avg of Baltic exchange index routes TC2, TC14, TC10, TC11, and TC12

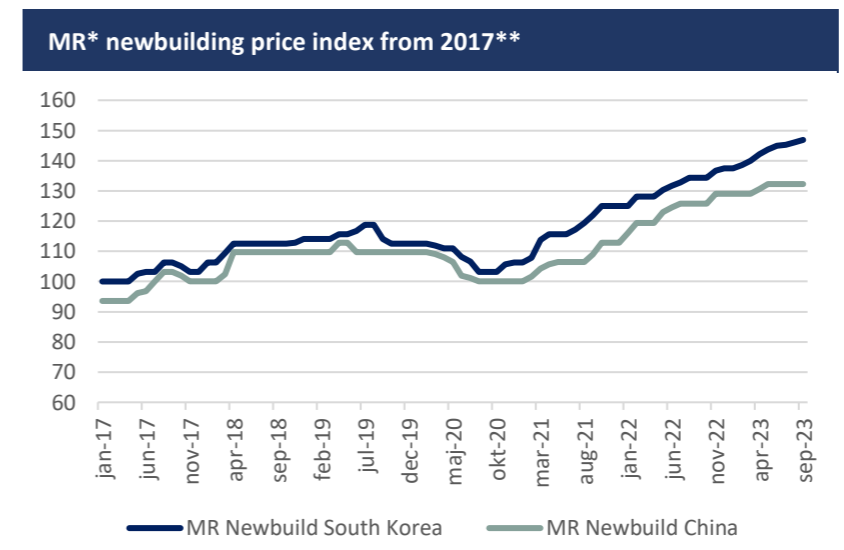
MR vessel values



Ship type	Estimate	Trend 1 month	YTD Avg	12 month ago	36 month ago
N/B Korea	47	➔	46	43	33
N/B China	41	➔	41	39	31
PPT resale	50	➔	49	46	34
5 yr old	40	➔	41	39	26
10 yr old	31	➔	33	29	18
15 yr old	23	⬆	23	19	12

*MR 47,000 DWT, non-scrubber

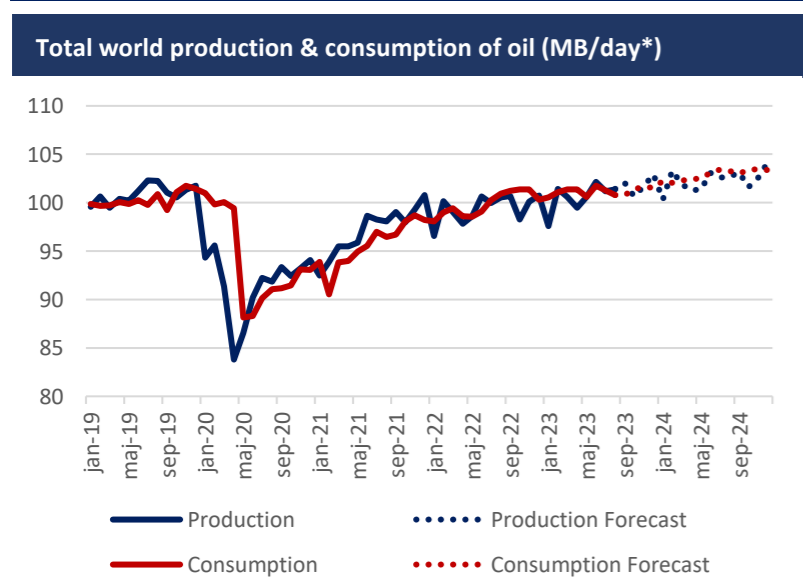
MR fleet size



Tanker (MR)	Avg for Sep	12 month ago
Fleet size (No)	1 736	1 690
Orderbook (No)	8	7
Delivered (No)	30 YTD	44 YTD
Scrapped (No)	3 YTD	11 YTD
15+ years old (No)	592	n.a.
20+ years old (No)	153	n.a.

*MR 47,000 DWT, non-scrubber
 **Jan 2010 = Index 100

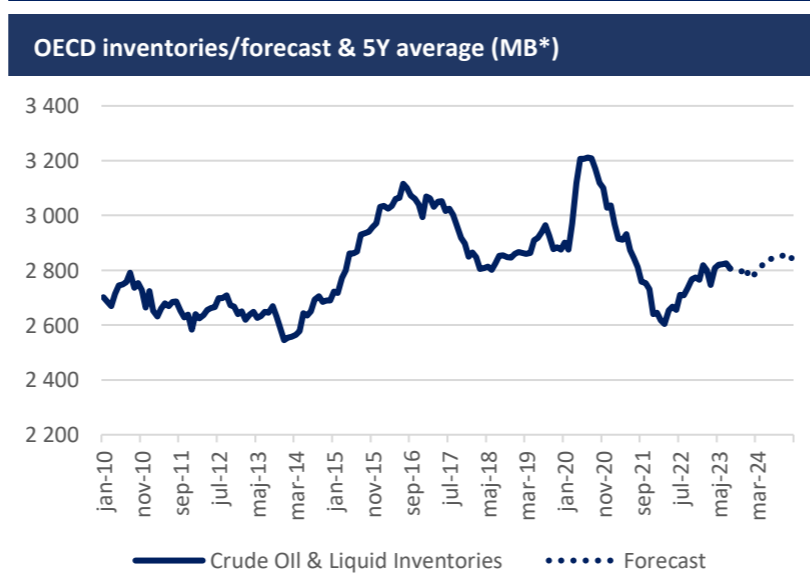
Crude oil – volumes



Volumes	Aug	1 month change	6 month change
Crude production m/bd*	101,4	+0,2%	0,8%
Crude consumption m/bd	100,8	-0,5%	-0,6%

*Million barrels per day.
 U.S. Energy Information Administration | Short-Term Energy Outlook

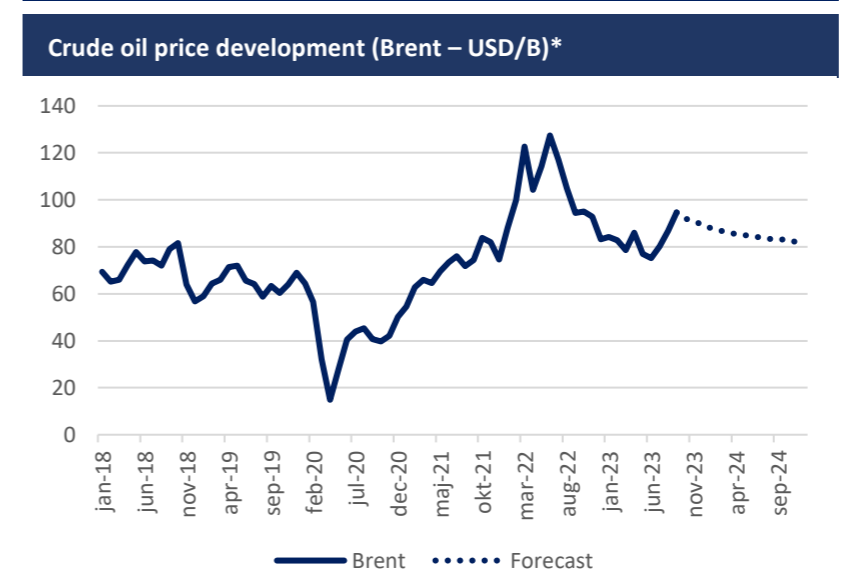
Crude oil & product inventories



Inventories	Aug	1 month change	6 month change
OECD inventories	2 807	-0,6%	+0,3%
Avg 2007-2021	2 933	n.a.	n.a.

*Million barrels. U.S. Energy Information Administration (EIA) -
 OECD End-of-period Commercial Crude Oil and Other Liquids Inventories

Crude oil – price



Price	Sep	1 month change	6 month change
Brent oil price, \$/BBL	94,6	+8,9%	+20,3%
WTI oil price\$/BBL	89,4	+9,9%	+22,0%

*Refinitiv

Comment from Erik Lewenhaupt
 CEO, Concordia Maritime

Blurry geopolitics

Freight market
 The global MR basket averaged abt \$21,250/day for September which was close to \$725/day higher than last month. The month ended on a high note. Time charter rates for 12 months followed the spot average and climbed \$1 k/day to \$26,000/day. The Q3 average for the global MR basket averaged \$19,405/day which is substantially below last year's solid Q3 average of \$35,200. However, judging by the T/C rates, the market outlook for the year ahead is stable.

S+P
 Asset prices were almost flat for the month and volumes have been limited. A couple of auctioned ships at healthy numbers and several reported discussions ongoing. Likely rates will hold until further guidance from the spot market.

Newbuilding and recycling
 Nine months in to 2023 the orderbooks have substantially grown in some segments. Coated LR2 leads the pack with a 22% of fleet on order (12% start of year). Suezmax and MR's both at 9% of fleet on order against 3% and 6% respectively at start of the year (based on No of ships) with delivery 2025-2026. VLCC remain low at 2%. Although yard prices remain at record levels, we will likely see owners with deep pockets continue ordering replacement tonnage (in China and Korea that jointly have about 80% of the market). The market can absorb a fair bit of orders as the average age of the tanker fleet is high. The amount of tonnage that pass the 25-year mark will grow yearly up until 2026. For MR's the order book of 148 ships is roughly the same number as the 153 ships that today are +20 years of age. Recycling of ships continue to be slow. Prices have fallen past 12 months but are today still about 27% above the 10-year average.

Crude market
 Brent crude oil rose to \$95 per bbl. mid months following Saudi and Russia's extension of production cuts - but ended the month on a downward trend. The EIA revised their 2023 and 2024 Brent forecasts to \$84.5/bbl. (+\$1.8) and \$88.2/bbl. (+\$1.7). Mid-month US inventory data indicated a small build in commercial crude stocks, but the inventory levels are still below five years average. Meanwhile Iran and Iraq are increasing crude production.

Biggest news of the months was otherwise the Russian ban of diesel (and gasoline) exports announced on Sept 21. Russia later lifted the temporary ban on low-quality diesel and marine fuel. There is uncertainty on how long Russia, for financial and storage reasons, can uphold the ban but it will likely increase already firm demand for shipments of petroleum products from Middle East and Asia to Europe over the winter peak demand. Both Chinese and Indian exports have increased recently. The impact on shipping markets may also be depending on how well ships that are currently relying on sanctioned Russian trade can adjust back to international markets.

Environment
 Use of methanol as a ships fuel took a step forward when China Cosco Shipping's bunker service provider launched two standards for methanol as marine fuel. The use of methanol as drop-in fuel for road traffic is already common in China. Meanwhile the IEA said in an update of its 'Net Zero by 2050' report that over time shipping will primarily turn to ammonia to decarbonise. Finally – during the London Shipping Week a highly esteemed shipping analyst got headlines when he said that "Shipping will not get a sniff of the green fuel it will need to decarbonise in future" as other industries are ahead both in technical development and spending power.

