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INDICATIVE DEMO VALUES

Container	Bulker	Tanker	AHTS
Weekly Change **+ $100.000**	Weekly Change **+ $80.000**	Weekly change **+ $130.000**	Weekly change **+ $50.000**
Value **5,3 usdm** (Dely Bangla)	Value **3,5 usdm** (Dely Bangla)	Value **6,4 usdm** (Dely Bangla)	Value **0,8 usdm** (Dely Bangla)
			
2500 TEU / 12.432 mts ltd / ~ 25 (23) years*	72.000 DWT / 8.872 mts ltd / ~ 27 (29) years*	75.000 DWT / 15.505 mts ldt / ~ 30 (27) years*	2800 DWT / 2.123 mts ldt
Container	**Bulker**	**Tanker**	**AHTS**

*this is the quarterly adjusted average scrapping age of the vessel type (in brackets the average of last year)

USD / LDT – INDICATIVE MARKET PRICES

	Change	Tanker (HKC)	Container (HKC)	Dry Bulk (HKC)	Avg. last 3 years[3]
India	+ 2 %	390 (380)	400 (390)	380 (370)	377
Bangladesh[1]	+ 2 %	420	430	410	379
Pakistan	+ 2 %	400	410	390	375
Turkey[2]	stable	245	255	235	248

*All prices are indicative only based on average indications for standard tonnage - all prices in usd / lt/ldt.
1) In Bangladesh only one yard has been awarded a HKC compliance certificate
2) In turkey 8 Yards comply with the EU-SRR and respectively the price in brackets refers to this recycling standard
3) The average accounts for the highest price category (i.e. Container Vessels)

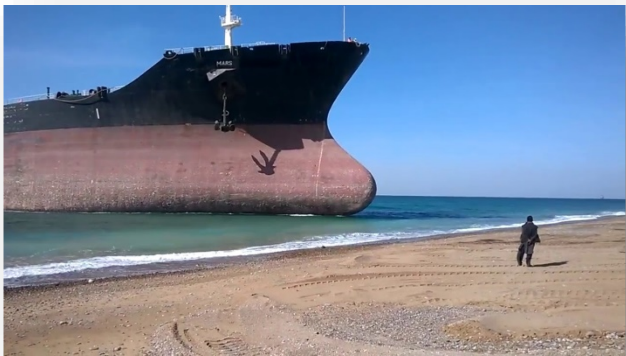
COMMENT *A walk on the bright side as the Year ending*

Strong numbers again with breath-taking prices still being quoted in Bangladesh where we are hearing of a VLCC that is being discussed around 430 perlt/ldt levels. That being said the numbers being supported by Breakers are somewhat lower and the strong numbers from Cash Buyers include a chunk of speculation. The bullish sentiment led some more owners to enter the market, especially in the tanker segment.

After the unprecedented Covid-19 crises the appetite for tonnage from the sub-continent has come back to its pre-crises strength and the year seems to be finishing in very busy fashion with many deals in the pipeline.

In Bangladesh and Pakistan Buyers remain hot and prices are firm, trading in excess of $400.

On the Beach! A retired Vessel is ready for recycling operations at Gadani, Pakistan.



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REPRESENTATIVE FIXTURES

Name	Type	LDT	Built year	Built where	Terms	Price lt/ldt
MV Germ Spring	Bulk	~8.000	1993	JPN	Dely Chittagong	~ $ 405
Sold for final Breakup in Bangladesh – Flag: Panama						
MV Stellar Neptune	VLOC	22.870	1993	JPN	Dely Malaysia	~ $ 420
Sold for final Breakup in Bangladesh – Flag: Barshall Islands						

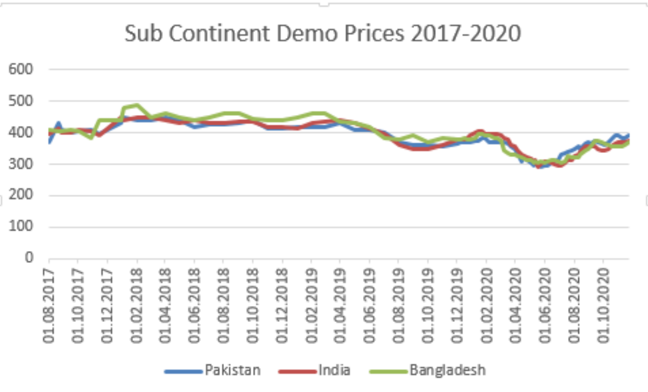
Total Demolition	2020 ytd		2019	
Bulk	12.709.370 dwt	112 (107) vessels	7.880.246 dwt	93 vessels
Tank	2.298.804 dwt	60 (60) vessels	4.427.162 dwt	87 vessels
Container	190.601 TEU	81 (81) vessels	199.891 TEU	100 vessels

*Last week's numbers are being shown in brackets / we are reporting actual deletions (beached or at the yard), the number of Vessels sold for demolition varies

SNAPSHOT: *Ship Recycling 2020*

What a year! Up and down – we saw huge disruptions in the market due to Covid but also due to heavily fluctuating prices that went from high 300s down to high 200s in the sub- cont, now trading in excess of usd 400 per lt/ldt again for most tonnage. A rollercoaster ride and as ever in shipping the timing of the sales decision was very important. Some sold too early, some too late, some in the midst of the crises.

Operations in all major recycling destinations were partially stopped in April and May and many vessels and more importantly their crews were facing severe trouble and long waiting times.



In terms of activity we saw actually less Tankers (61) and Container Carriers (81) scrapped in 2020 compared with the previous year though around 50% more capacity was deleted from the trading Bulk fleet in 2020 compared to the year before.

Apart from prices and numbers, two major Cash Buyers almost ended up in jail, their business operations came to a halt or are heavily affected and a shipowner is facing a 6 month jail trial after losing a court case over his involvement in a recycling deal for one of his vessels.

The EU list was extended but the capacity mismatch between practically available capacity that offers viable alternatives to breaking in Turkey or selling for trading to parties that can reflag and recycle in the sub-continent remains substantial.

The recent comments of BIMCO Secretary-General David Loosley on the EC's actions ring true:

"The intention of protection the environment and ensuring worker safety is spot on, but … we would wish that the EU instead had aimed the good intentions toward ratifying the Hong Kong Convention."

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YARD OF THE WEEK: Harland & Wolff (United Kingdom)

Harland and Wolff (Belfast) Limited

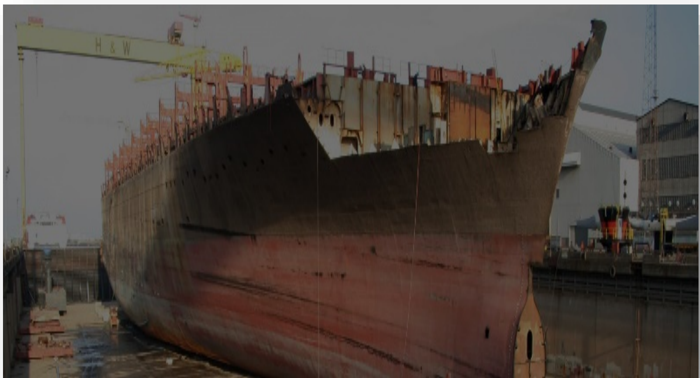
Located in Belfast, Northern Ireland, UK, on the shores of the Irish Sea is the famous Harland & Wolff shipyard. As with many other Yards on the EU whitelist for ship recycling it mainly operates as a construction and repair yard but also offers recycling services as a side business.

Given the strong competition from Turkish Yards and for EU SRR tonnage the yard has a wide spread of theoretical and practical recycling capacity and can be considered as an option for decommissioned North Sea structures and smaller offshore vehicles from the region.

The Facility has, according to its permit, a huge theoretical capacity of 300 000 ldt per year, although the capacity based on actual tonnage recycled is only 12.000 ldt (as per the EU list). The Facility operates a dry dock and wet berth that can be used for recycling activities.

Recycling Standard / Certification

HK | EU SRR



The Facility was founded in 1861 by Sir Edward James Harland and Gustav Wilhelm Wolff – the start of an eventful history.

The yard’s legacy includes work on some of the most iconic ships, including the famous RMS Titanic, RMS Olympic and HMHS Britannic, right through to the SS Canberra for P&O and the Myrina tanker – the first supertanker built in the UK.

The Belfast Facility is one of only three shipyards in the UK large enough to undertake complex defence projects.

In a previous life the yard was deeply involved in naval construction. During the First World War, several battle cuisers were constructed, including HMS Glorious.

During the Second World War, six aircraft carriers, two cruisers and 131 other naval ships were built and 22,000 vessels repaired.

More information: https://www.harland-wolff.com

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