



Weekly Tanker Newsletter

04 August 2025

Crude Tanker Markets

VLCC

Middle East

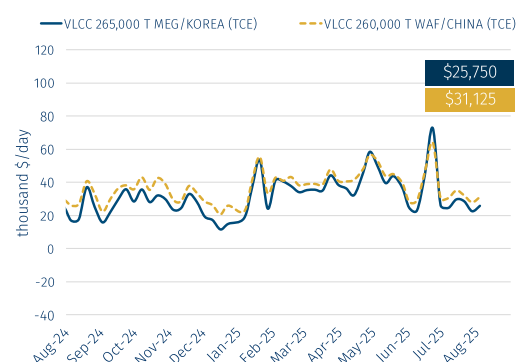
West Africa

MEG: In the Middle East, ships continued to get picked off privately without too much fuss. With earnings hovering near year-to-date lows there was a feeling that rates had bottomed. Nonetheless, with tonnage well supplied rates failed to break past the w45 level for MEG/China and hovered in the w43-44 band throughout the week. However, the new week has brought plenty of new cargoes into the market and while rates have only improved marginally to w48, tonnage is on the shorter side and owners are optimistic for further improvements to come.

WAF/Brazil: In West Africa, an active second half of the week with ships going on subs to the UKC and East. Rates for WAF/China hovered in the w48-49 band throughout the week in line with rates for Brazil/East. Rates are in need of testing to start the new week and owners' expectations will have risen slightly off the back of the MEG.

USG: In the US Gulf, several cross Atlantic cargoes emerged with VLCC's priced competitively compared to smaller sizes at 2.8-2.9m for USG/UKC. Activity to the east was more muted but rated bottomed at 6.8m for USG/East with little willingness to commit to such a long voyage at low earnings.

TCE MEG/Korea & WAF/China - speed 13kn



Suezmax

West Africa

Mediterranean

WAF: Last week ended on a stronger note as a restricted requirement paid 5 points more than last done. The list has tightened up off 3rd decade dates with only 2 (possibly 3) Eastern ballasters and European units playing the arb USG versus Waf. We expect Owners to be bullish as USG continues to firm up further on the back of a firm Afra market (70 at w185 USG/UKCM). Vs are also showing signs of firming in the Atlantic. TD20 at w85-87.5 and to the East 130 at w95-97.5. Eastern ballasters: 3 in total / 1 poss - until 28th August bss Angola.

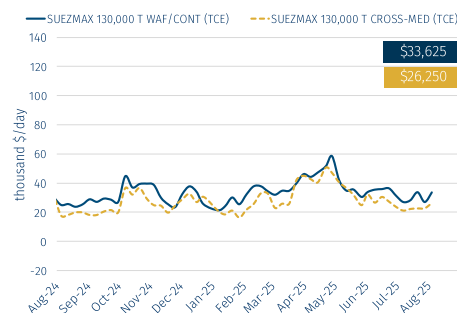
BSea/Med: Friday saw a firm sentiment into the weekend with rate contagion from adjacent markets providing support. CPC enquiry remains active into the third decade fixing 23-28 window with CPC/Med fixing in the 135 x w100-105 range. In the Med, Hariga/Pembroke-Trieste stands at 130 x w87.5-92.5 and firmer on the back of Atlantic basin. Hariga/Ningbo remains steady at \$4.35m via Cape (to be tested).

UKC/Baltic: Busier locally with JS exports abording tonnage. Rates are expected to move a bit since the Atlantic got firmer. Expect spot tonnage to start ballasting South or TA to lock in longer voyages. Some questions on fuel to the East however with rates creeping up, it remains to be seen if current freight could make sense. WCN/UKC-Med 135 at w97.5-60. Arb/Sing pegged \$3.9M lvls.

USG/CBS/LATAM: The list has substantially tightened last week and there are still a few cargoes remaining to be covered on the market. USG/UKCM still firm at 145 x w77.5. Busy from Guyana last week as well with several Suezmaxes taken from the region as charterers fixed less VLCCs on the window. Rates firm along with WAFR; Guyana/UKCM 130 x w85-87.5. Some market quote in Brazil goes for at a rather competitive rate albeit on a local ship; Brazil/UKCM 130 x w85-87.5.

MEG: The front end of the list was clipped off into the weekend but the list remained balance. There is some pressure coming from Atlantic basin rates ticking up a notch which could feed through or incentivize ships to ballast to Cape of Good Hope. AG/East 130 x w95-97.5, Basrah/UKCM 140 x w47.5, Ag/USG \$3.15m lvls via Cape.

TCE WAFR/CONT & XMED - speed 13kn



Aframax

North Sea

Mediterranean

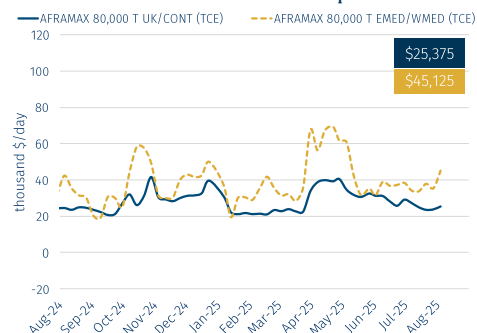
Med: Owners did a good job to take advantage of the disruptions at Ceyhan and push rates higher. At the time of writing, sentiment remains firm as charterers are holding back waiting for itineraries to firm up prior populating the market with fresh inquiry.

x-Med: 80 x w150.

North Sea: Owners tried to capitalize on anything they could to move this market but sufficient activity was simply not there to build on. This week, rates could firm further, considering how surrounding markets are pricing.

x-NSea: 80 x w117.5.

TCE UK/CONT & XMED - speed 13kn



Clean Tanker Markets

Middle East Gulf

MR2



LR1



MR: The MR Market started this week on a balanced footing. A decent amount of activity both on and off the market has caused for owners to continue pushing for well-paying last done levels, evidenced by a w250 being repeated for a TC17. As we are now seeing stems moving into the 12-15 Aug dates, the tonnage list does have a few vessels in ballast from Africa that can make these laycan dates as well as a few candidates at the front end that have seemingly missed the previous laycan window. Still, due to a firming LR market and it being only a Monday, owners will remain optimistic that the bulk of the MR activity is yet to come.

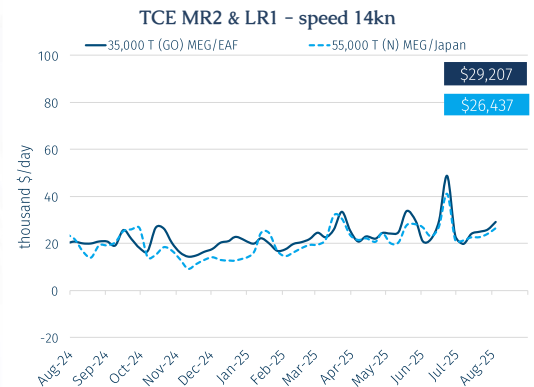
x-AG: 475k, **AG/EAF:** 35 x w250, **AG/Spore:** 35 x w220, **TC12:** 35 x w180.

LR1: It's been a busy start to the week for the LR1's. Last week, a number of 1H August cargoes were still expected, and we have now started to see those volumes come through. A tight LR2 market had already kept LR1 owners confident, even during slower enquiry, and with fresh cargoes appearing today along with several off-market stems working quietly, the outlook is looking more constructive. Some tricky stems for charterers have resulted in significant gains for owners, with a lack of jet-suitable candidates pushing X-AG rates to 650k. Considering charterers have limited ability to stem either up or down, given tight adjacent markets, we expect freight to climb across the board and further to this, TC5 paper has been steadily climbing all day, suggesting there is a broad consensus that the market will improve. Sentiment is firmer.

AG/Jpn: 55 x w157.5, **AG/UKC:** 3.15M (via Cape), **AG/Spore:** 60 x w157.5, **AG/EAF:** 60 x w157.5.

LR2: The LR2 segment is starting the week on a positive note, with a few off-market deals on subs beginning to surface alongside some fresh enquiries. The list has suddenly tightened through to the 20th, though a handful of vessels with compromised histories are still floating around. Owners will be quick to capitalize on the narrowing window, and we expect rates to start ticking upward. Charterers will naturally try to delay quoting the next fixing window for as long as possible, but a further push north in freight feels inevitable. Sentiment is clearly leaning firmer.

AG/Jpn: 75 x w150, **AG/UKC:** 4.1M (via Cape), **AG/Spore-EAF:** 90 x w150.



North West Europe/ Americas

MR



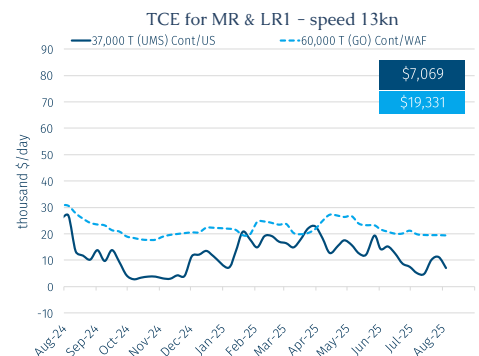
LR1



MR CONT: To round off a tricky week for owners, rates have taken another tumble. There has been some off-market activity, but not enough to stop a slide in rates. There isn't much left on the slate now, so all eyes are on this week. The list is still reasonably tightish, although as expected, it does open up a little more with a few ships' itineraries firming up and some heading short... But really, it remains a question of how much enquiry we see this week. For now, though, it doesn't look like we will see much change... **TC2:** w100, **ARA/WAF:** w120.

LR1 WEST: Cont/Chiba: \$2.85M, Cont/RSea: \$1.35M, Cont/AG: \$1.75M.

LR2 WEST: Cont/AG: \$1.8M.



Mediterranean

MR1



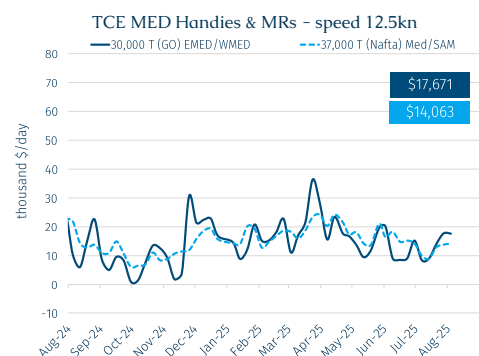
MR2



MR/Handy: The MRs in Med started strong last week. List was tight of options at the top end of the list and enquiry was above usual, however by midweek any hopes had vanished with TC2 taking another hit and the Med falling in line. Enquiry did fall by the end of the week and sentiment was soft in general. Although it seemed like rates could have softened it was a steady week across the board for the Med handies. Nothing really remarkable rates wise and the list has been pretty much balanced with the enquiry we have seen. Not expecting any major changes at the moment, market remains steady.

x-Med MR: w145.

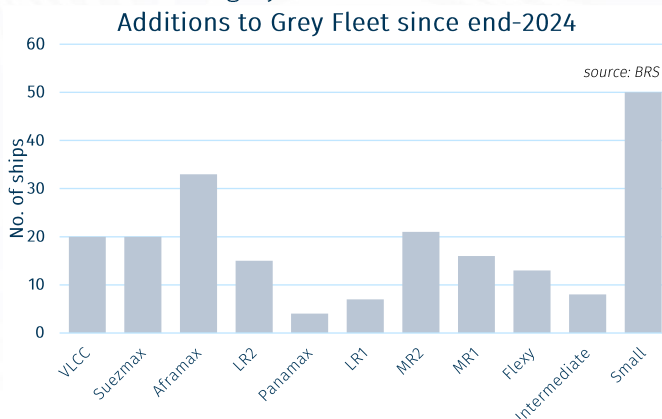
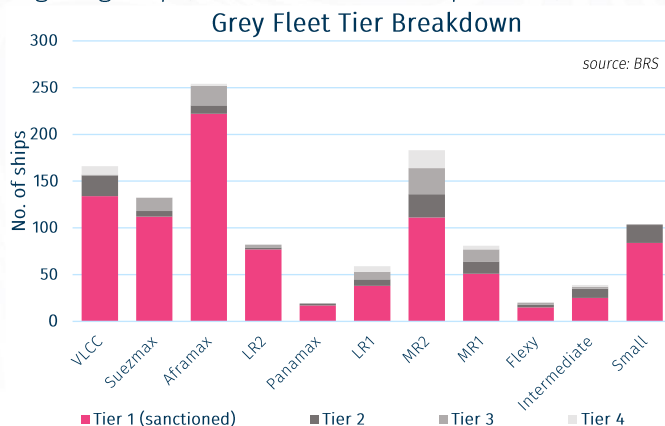
x-Med Handy: w185.



Despite the noose closing, the grey fleet keeps on growing

This time last year, this Newsletter suggested that the so-called 'grey' tanker fleet had not been sufficiently regulated. However, since then its regulation has soared with sanctions being the primary tool targeting ships, their owners and operators, insurers

and individuals. Furthermore, recent pressure has been applied to flag registries which has seen some no longer accept elderly tonnage or grey fleet tankers. Accordingly, this week, we discuss the recent evolution of the grey fleet and ask what is next for it.



Still growing steadily. Despite the avalanche of regulation on the grey fleet, it continues to grow strongly by around 30 units per month. Accordingly, we now assess the grey tanker fleet (composed of oil tankers over 3,000 Dwt and excluding specialized and gas tankers) at 1,140 ships for a total of 127.4 mln Dwt. This compares with end-December 2024 when the grey fleet was assessed at 930 ships for 109.6 mln Dwt. Today, there are 977 units (for 125.7 mln Dwt) of over 34,000 Dwt (MR1) which, on a number-of-ships basis equates to an astonishing 17.3% of the fleet of 34,000 Dwt or above. Indeed, considering that there are 166 and 133 grey VLCCs and grey Suezmaxes, respectively, the grey fleet now accounts for a significant 18.2% of global oil tanker tonnage.

Surge in sanctioned tonnage. When looking at grey tonnage through a 'hard to trade' lens, the increased sanctioning of tonnage is definitely having an impact. One year ago, 191 tankers (equivalent to 25% of the grey fleet at the time) were assessed as being sanctioned, with the majority of these being sanctioned indirectly via their owners or operators (primarily due to their links with Iran's NITC, Russia's Sovcomflot or Venezuela's PDVSA). Today, this has ballooned to 886 units which accounts for 78% of the total grey fleet. It also implies that 9% of all oil tankers are blacklisted.

Is regulation driving more ships to the grey fleet? After slowing in 2024, data suggests that grey fleet growth has rebounded strongly so far this year. There is an argument to suggest that as more tankers are sanctioned this is boosting the appetite for elderly mainstream tonnage to join the grey fleet. It is

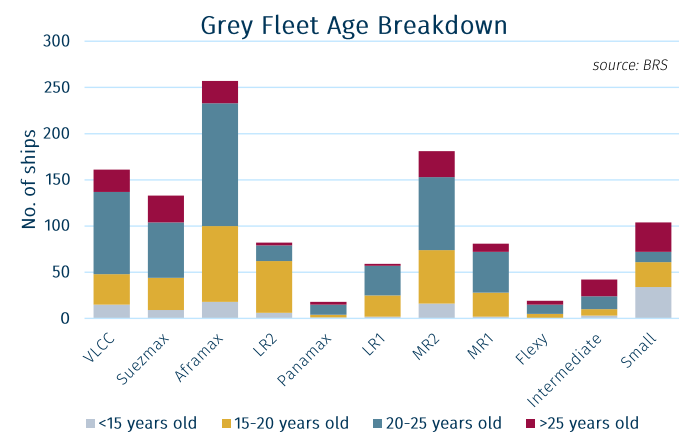
tentatively suggested that some buyers of Iranian and Russian oil have a preference for chartering non-sanctioned tonnage and thus in order for these companies to keep purchasing, their cargoes need to be transported by non-sanctioned tonnage. Considering the recent lowering of the Russian crude oil price cap, unless producers there opt to accept lower prices (which is unlikely) it is probable that more Russian crude will move on grey tankers. This contrasts with the past few months which saw a resurgence in mainstream Russian liftings due to lower oil prices. If this proves to be the case, and if buyers continue to shun sanctioned tonnage, then this could fuel the continued rise of the grey fleet capacity with Aframax likely to be particularly in demand (which anecdotal information suggests it is already doing). Furthermore, as the US blacklists more ships involved in the illicit transport of Iranian oil, this could also fuel a resurgence in VLCCs and Suezmaxes to join the grey fleet. It should also be noted that both Iranian and Russian oil supplies are projected to remain robust for the remainder of 2025 which implies that grey tanker demand will remain supported.

An ageing fleet = increasing risks. Today, the average age of the grey tanker fleet is 20.2 years which compares with the near-15-year-old average age of the mainstream tanker fleet. This rising disparity reflects that elderly mainstream tonnage continues to be sold into the grey fleet for further trading rather than being demolished, in turn reflecting the still-wide premium that such sales have over a ship's demolition value. For example, when looking at the 34,000 Dwt and above tanker fleet, 180 units of over...



Topic of the Week (cont.)

...15 years old have been sold for further trading so far this year which compares with 16 demolitions (excluding those ships which have been reportedly sold for demolition but often eventually turn up in the grey fleet). This comes on top of a decades-low six tankers being demolished last year. As stated in previous issues of this Newsletter, as a tanker moves into old age its risks increase exponentially. Thus, for every year that the grey fleet exists, the risks associated with the fleet soar. With this in mind, it is a miracle that there has not been a serious oil spill associated with the grey fleet. However, ship tracking data does show that some grey tankers are entering dry docks, especially in China, and therefore it can be assumed that they are undergoing maintenance which would be consistent with tankers of their age. Nonetheless, the problem of opaque insurance remains and thus a serious pollution incident would test whether non-western shipping insurance would cover costs. If not, then this could eventually lead to more stringent regulation on the grey fleet.



A difficult but not impossible way out. It remains complicated for tankers to exit the grey fleet unless they are sold to another grey tanker owner. This reflects cash buyers and breakers' yards dealing in US Dollars and thus handling a grey tanker (either

sanctioned or not) opens these players to the risk of being excluded from the US banking system in the event that the US administration was to pursue action against these in the future. Nonetheless, some tonnage-starved breakers appear to be willing to accept grey tankers, albeit at below market rates. Accordingly, data suggest that 15 grey tankers have been demolished across 2024-25. Of these, eight were sanctioned (average age 23 years) either directly or indirectly. This appears to be offering grey fleet owners an avenue to dispose of their least desirable tonnage. With global ship demolition continuing to languish in the doldrums, this could explain why some breakers are willing to accept grey tonnage. However, if the demolition of other ship types was to rise, this could once again see breakers back off grey tonnage due to the associated risks.

No way back? The key question for tanker market participants is what could happen to the grey fleet in the event of sanctions and other restrictions being eased on Iran, Russia or Venezuela? This remains a difficult question to answer but considering this year's trends in the lifting of Russian crude, once a voyage is deemed viable for mainstream tankers, they will return rapidly en-masse. Furthermore, considering today's huge volume of sanctioned tonnage, it may now be more difficult for these ships to eventually return to mainstream trades. Indeed, it would likely be easier for a breaker to accept once-sanctioned tonnage than it would be for a large international charterer, which implies that once demand for grey tonnage dissipates, it may be time for most units to head to the breakers.

Breakdown of Grey Tanker Fleet

Sanctioned	Tankers under sanction
Tier 2	Vintage tankers owned by small companies with no track record of ship management. Only undertaking sanctioned business (Iran, Venazuela, North Korea)
Tier 3	Vintage tankers owned by small companies with no track record of ship management. Only undertaking Russian business - assumed to be lifting under price cap
Tier 4	Vintage tankers owned by small companies with no track record of ship management. Undertaking Russian business (assumed to be under price cap) and other mainstram business

Market Pointers

OPEC+ policy drags down oil prices, while President Trump tariffs have mixed effects. On Sunday, OPEC+ announced that they would unwind the remaining 547 kb/d of their 2.2 mb/d layer of voluntary cuts in September. This was largely expected, but rumors that they might unwind another 1.65 mb/d layer of cuts placed further downwards pressure on oil prices. The new raft of tariffs set down by US President Trump against dozens of countries on 1 August has also provided bearish sentiment, dragging out fears of a global economic slowdown. However, President Trump's threats to place 100% tariffs on buyers of Russian exports has raised fears of an incoming heavy sour crude shortage, supporting Gulf prices and putting Indian refiners in the spotlight. Front-month ICE Brent and NYMEX WTI are currently trading at \$68.41/bbl and \$65.91/bbl, respectively.

Argentina's Puerto Rosales terminal loads first Suezmax. The 730,000 bbls of Medanito crude appear to be in transit from Puerto Rosales to Hawaii. This marks a milestone in the country's growing importance as a crude exporter. Production from the Vaca Muerta shale basin has surged in recent years, growing from 320 kb/d in 2022 to 450 kb/d currently, and is projected to hit 1 mb/d by 2030. As a result, pipelines out of Vaca Muerta are expanding, such as the Oldelval pipeline ending in Puerto Rosales. Another significant expansion is the 550 kb/d Vaca Muerta Sur pipeline expected to open in 2026, which ends in Punta Colorada, a new deepwater port which will be capable of loading a VLCC. Over two-thirds of Argentinian crude exports are imported by the US, primarily on Aframaxes, but Suezmax and VLCC loadings open the door to long-haul trades to Asia which could increase ton miles.

Pakistan-US trade deal materializes into a first crude cargo. Pakistan's largest oil refiner, Cnergyico, will import 1 mn bbls of spot WTI under an agreement with Vitol. This will be the first crude oil shipment from Houston to Karachi, potentially marking a new route as the Cnergyico Vice Chairman suggested that the company could expand to at least one such cargo per month. Cnergyico refining capacity

stands at 156 kb/d, although weak domestic demand has refineries currently running at a third of full capacity. This is a slight help to Suezmax ton miles given that US-Pakistan is a significantly longer distance than AG-Pakistan, but the small overall volume is unlikely to make a meaningful dent in vessel demand. At the moment, most of Pakistan's crude imports come from the AG, with Saudi Arabia and UAE representing 88% of the country's total imports in 2024, almost all of which are on Aframaxes.

BTC pipeline resumes crude exports. BTC pipeline operations are returning to normal after a pause in loadings between 20-24 July due to crude oil contamination from organic chlorides used in crude extraction. This disturbed Azeri and Kazakhstani exports out of Ceyhan, the latter of which has reportedly increased by 12% through 1H25, as Kazakhstan attempts to reduce reliance on the CPC. The price of Azeri Light, favored by Mediterranean refiners, fell to three-year lows against dated Brent as buyers avoided the light sweet grade. As a result of the delays, early estimates for Ceyhan crude exports show a drop to around 500 kb/d in July, from above 550 kb/d in June.

TMX looking to expand capacity and efficiency. According to TMX operators, implementing drag-reducing agents could increase daily deliveries by 5% to 10% next year. In combination with other potential enhancements, this could lead to an estimated increase of 200-300 kb/d. The pipeline currently operates at around 84% of its 890 kb/d capacity. This expansion will make the TMX responsible for close to one quarter of total Canadian crude exports, which stood at 4.2 mb/d last year. Around a third of TMX crude is sent to PADD5 refiners, supplying 135 kb/day of crude oil to the US so far this year. However, Canada is looking to diversify its buyers given ongoing tensions with the US, with China emerging as an alternative buyer of Canadian barrels. Indeed, shipments to China have averaged 260 kb/day so far this year, up 125% from the 2024 average. This has provided more support for Aframax/LR2s, given the increased ton miles to China compared to the USWC.

Fleet Statistics

	N° OF SHIPS					
	> 19 YRS	15-19 YRS	10-14 YRS	5-9 YRS	< 5 YRS	IN SERVICE
VLCC/ULCC	190	170	194	239	113	906
SUEZMAX	159	117	148	164	113	701
AFRAMAX	238	171	93	107	78	687
LR2	49	107	86	133	120	495
PANAMAX	49	6	1	10	2	68
LR1	95	149	69	63	4	380
MR2	369	464	377	386	295	1891
MR1	239	149	62	48	10	508
TOTAL	1388	1333	1030	1150	735	5636

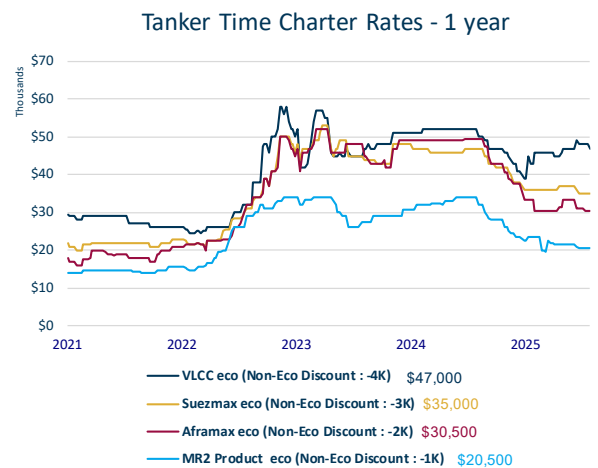
	N° OF SHIPS					
2025 DELIVERED	2025	2026	2027	2028+	ON ORDER	
3	4	39	49	26	118	
18	12	54	47	24	137	
6	13	8	15	4	40	
32	18	78	70	28	194	
0	0	0	1	3	4	
2	8	24	17	13	62	
53	44	158	84	25	311	
3	1	13	10	0	24	
117	100	374	293	123	890	

	N° OF SHIPS			
	5/2025	6/2025	7/2025	8/2025
VLCC/ULCC	0	1	1	0
SUEZMAX	1	3	5	1
AFRAMAX	1	2	0	0
LR2	3	6	5	1
PANAMAX	0	0	0	0
LR1	0	0	2	0
MR2	8	3	14	1
MR1	0	0	0	0
TOTAL	13	15	27	3

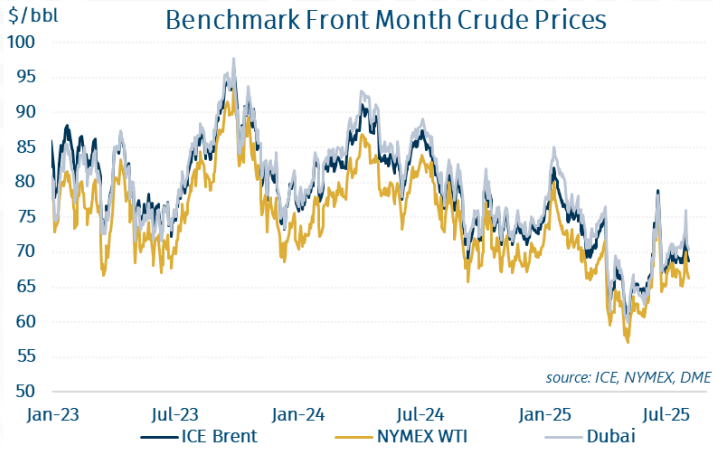
	N° OF SHIPS			
DEMOLITION, LOSS AND CONVERSION	5/2025	6/2025	7/2025	8/2025
VLCC/ULCC	0	0	1	0
SUEZMAX	0	0	0	0
AFRAMAX	0	1	1	0
LR2	1	0	0	0
PANAMAX	0	0	1	0
LR1	0	0	0	0
MR2	0	2	0	0
MR1	0	0	0	0
TOTAL	1	3	3	0

Time Charter Rates

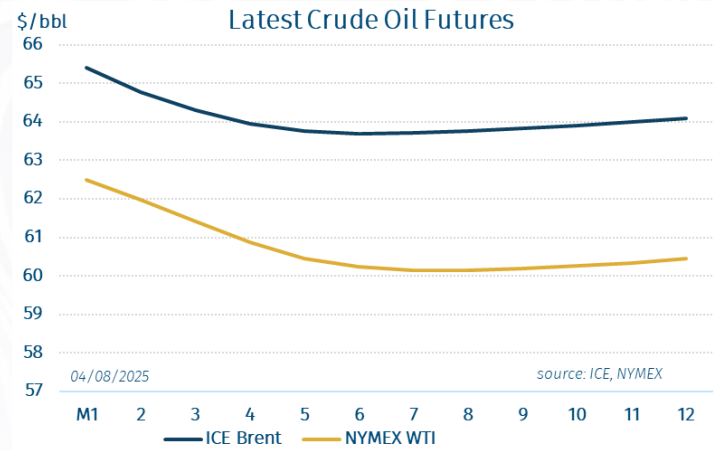
\$/day		1yr	Trend	3yrs	5yrs
VLCC	NON ECO	\$41'000	DOWN		
	ECO	\$47'000		\$42'000	\$40'000
	ECO SCRB	\$51'000		\$45'000	\$43'000
SUEZMAX	NON ECO	\$31'000	STABLE		
	ECO	\$35'000		\$33'000	\$31'000
	ECO SCRB	\$36'500		\$34'000	\$32'000
AFRAMAX	NON ECO	\$26'000	STABLE		
	ECO	\$30'500		\$28'000	\$27'000
	ECO SCRB	\$31'500		\$29'000	\$28'000
LR2	NON ECO	\$25'000	STABLE		
	ECO	\$29'500		\$28'000	\$27'000
	ECO SCRB	\$31'000		\$30'000	\$28'500
LR1	NON ECO	\$21'000	STABLE	\$21'000	
	ECO	\$23'500		\$22'500	\$21'000
	ECO SCRB	\$25'000		\$24'000	\$22'500
MR2	NON ECO	\$17'000	STABLE		
	ECO	\$20'500		\$19,000	\$18,500
	ECO SCRB	\$21'000		\$19,500	\$19,000
MR1	NON ECO	\$17'500	STABLE	\$17'500	\$17'500
	ECO	\$18'500		\$19'000	\$19'000
	ECO SCRB	\$19'000			



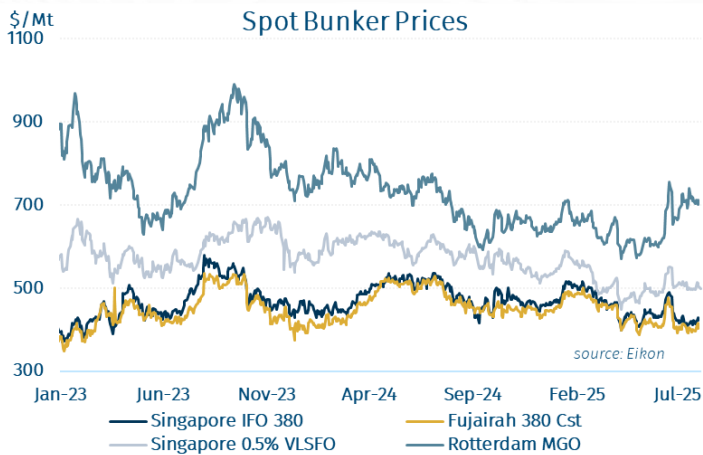
Benchmark Front Month Crude Prices



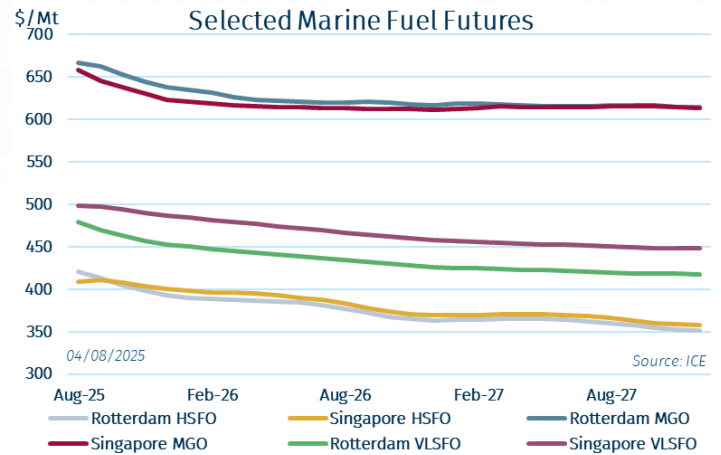
Latest Crude Oil Futures



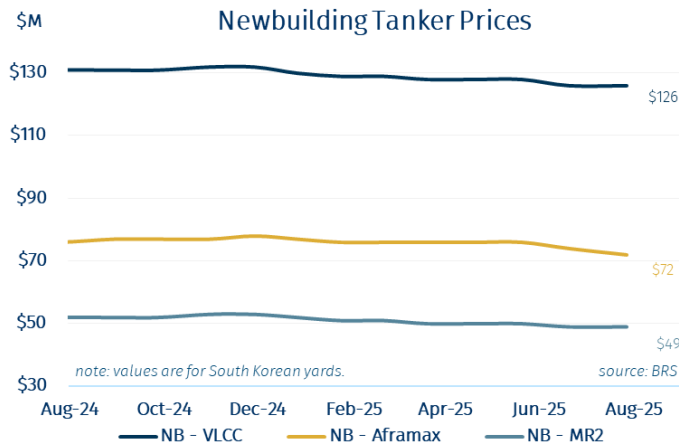
Spot Bunker Prices



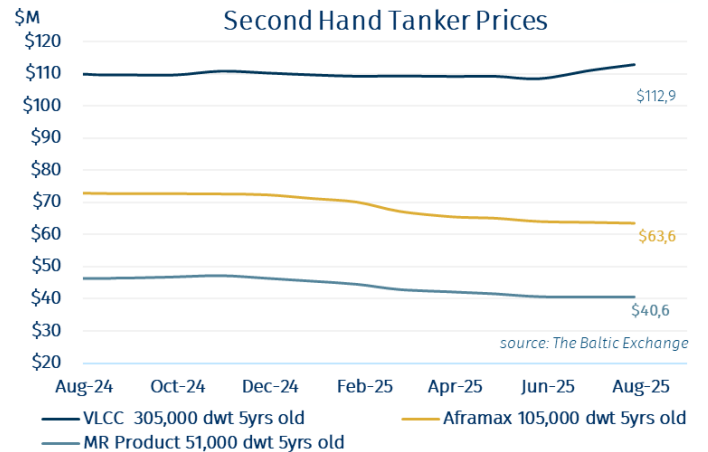
Selected Marine Fuel Futures



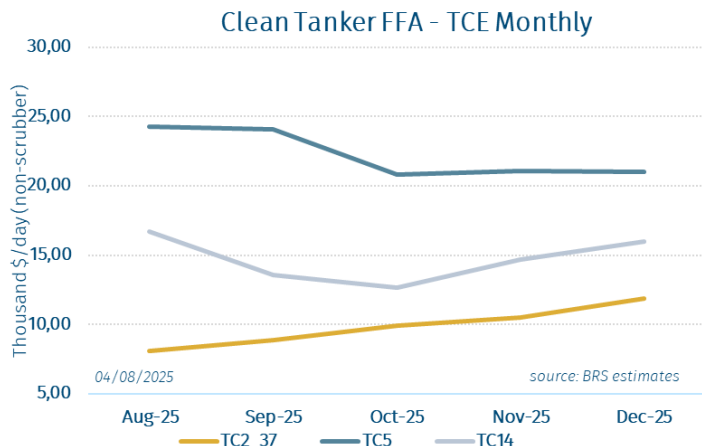
Newbuilding Tanker Prices



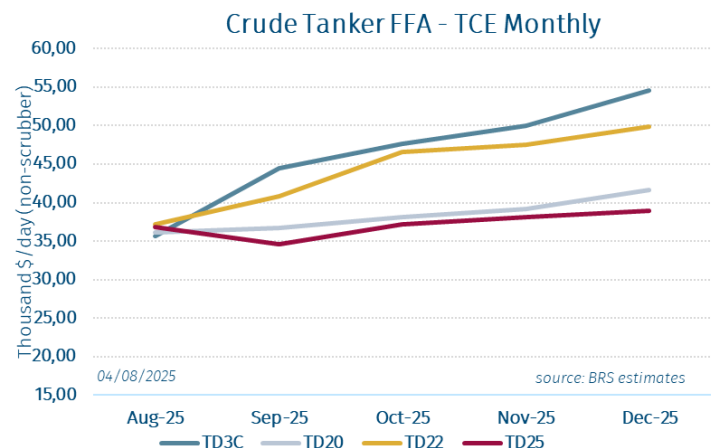
Second Hand Tanker Prices



Clean Tanker FFA - TCE Monthly



Crude Tanker FFA - TCE Monthly



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