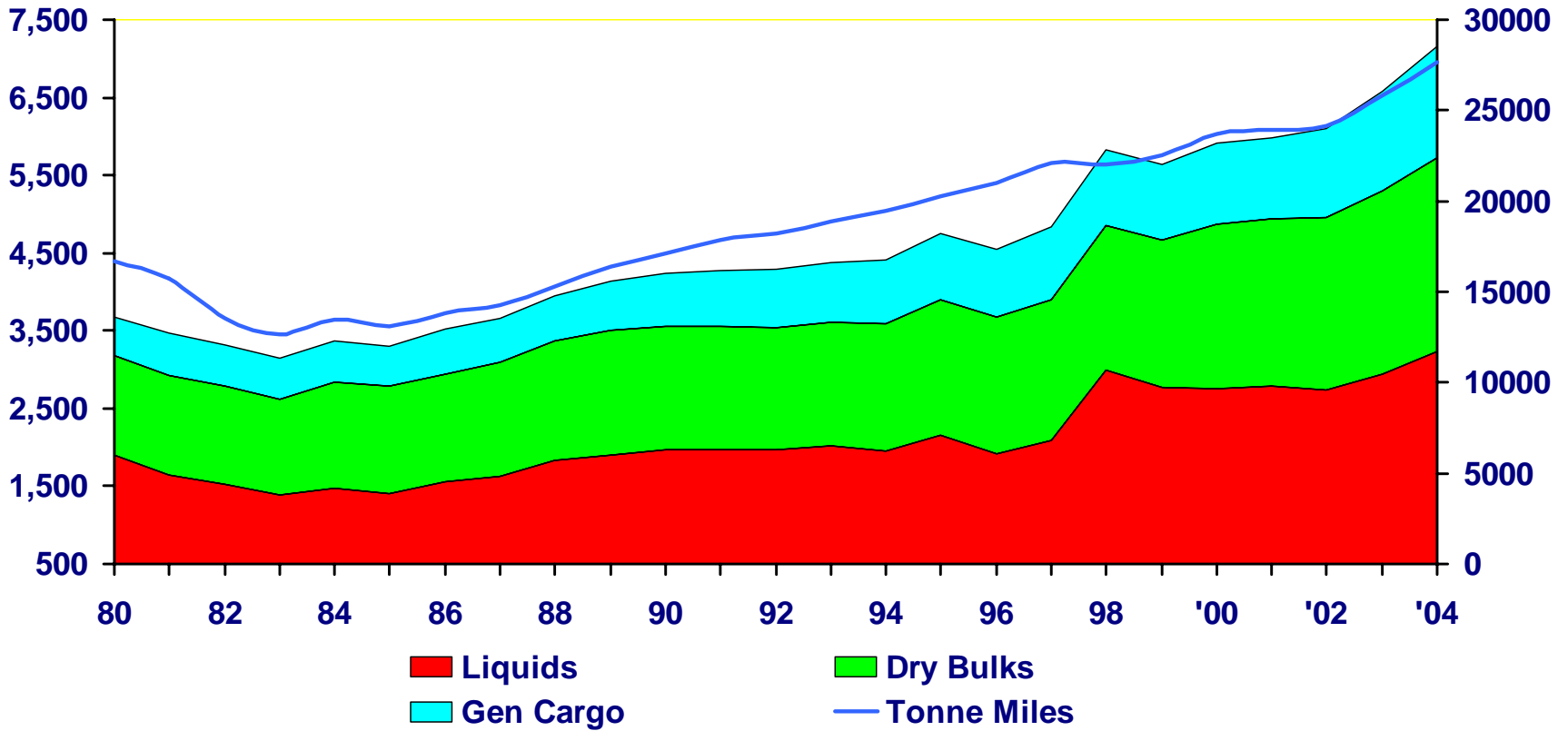


Sea Borne traffic



VLCC Charterers

Vlcc

Spot charters

Charterer Name	Total dwt chartered
ROYAL DUTCH SHELL	40,368,500
IOC	24,255,198
EXXON MOBIL	23,770,000
CHEVRONTEXACO	18,905,000
SSANGYONG	18,742,000
VELA	17,200,000
RELIANCE	16,609,500
CPC	16,082,500
CSSA	15,441,000
SKS	10,747,500

Major Charterers

All

Spot Chartering

Sum of Dwt	Dirty_Clean	
Charterer_Name		Grand Total
ROYAL DUTCH SHELL	40,368,500	40,368,500
IOC	24,255,198	24,255,198
EXXON MOBIL	23,770,000	23,770,000
CHEVRONTEXACO	18,905,000	18,905,000
SSANGYONG	18,742,000	18,742,000
VELA	17,200,000	17,200,000
RELIANCE	16,609,500	16,609,500
CPC	16,082,500	16,082,500

Consolidation – charterers faster than shipowners?

- Globalisation is affecting all industries, including the major ship charterers. The pace of change is often faster than among ship owning companies.
 - » In the Oil Sector 14 Companies/Charterers
 - » Exxon : Mobil: BP : Amoco : Arco ; Total : Elf : Fina : Chevron :Texaco, Repsol ; YPF ; Philips : Tosco



6 Companies/Charterers
Exxon/Mobil : BP/Amoco; Total/Fina/Elf:
Chevron/Texaco : Repsol ; Philips/Conoco

Leading independent tanker shipping companies *

• Stena Bulk AB (Sweden)	22 (25)	
• World Wide Shipping Agency (Singapore)	25 (26)	
• Thenamaris Ship Management (Greece)		28 (57)
• Kristen Navigation Inc. (Greece)	29 (0)	
• Maersk Lines (Denmark)	31 (413)	
• Great Eastern Shipping (India)	33 (73)	
• Tsakos Ship Management & Trading (Greece)	42 (70)	
• Dynacom Tanker Management Co. (Greece)		43 (46)
• Tanker Pacific Ship Management (Singapore)		47 (58)
• NYK Lines (Japan)	47 (419)	
• Ocean Tankers Pte Ltd (Singapore)	49 (52)	
• FrontLine (Norway)	63 (71)	
• Mitsui OSK Lines (Japan)	110 (532)	
• * Total oil tankers (figures in brackets show total including other vessels)		

Oil tanker market structure

- The seaborne crude oil transportation business is highly fragmented and is generally provided by two types of operators: independent ship owners and national oil companies.
- There are currently only two or three major operators who control a total of one third of the fleet. Only 10 owners control 40% of the double hull fleet.
- In the Vlcc segment, 18% of the total fleet is controlled by three major owners: Frontline, NYK and MOL. Of the current total Vlcc fleet, 43% is owned by the top ten owners.
- The oil market is fairly liquid in that they have well-developed spot markets. The time charter market has also been well developed and many vessels operate under long term contracts and pooling arrangements.

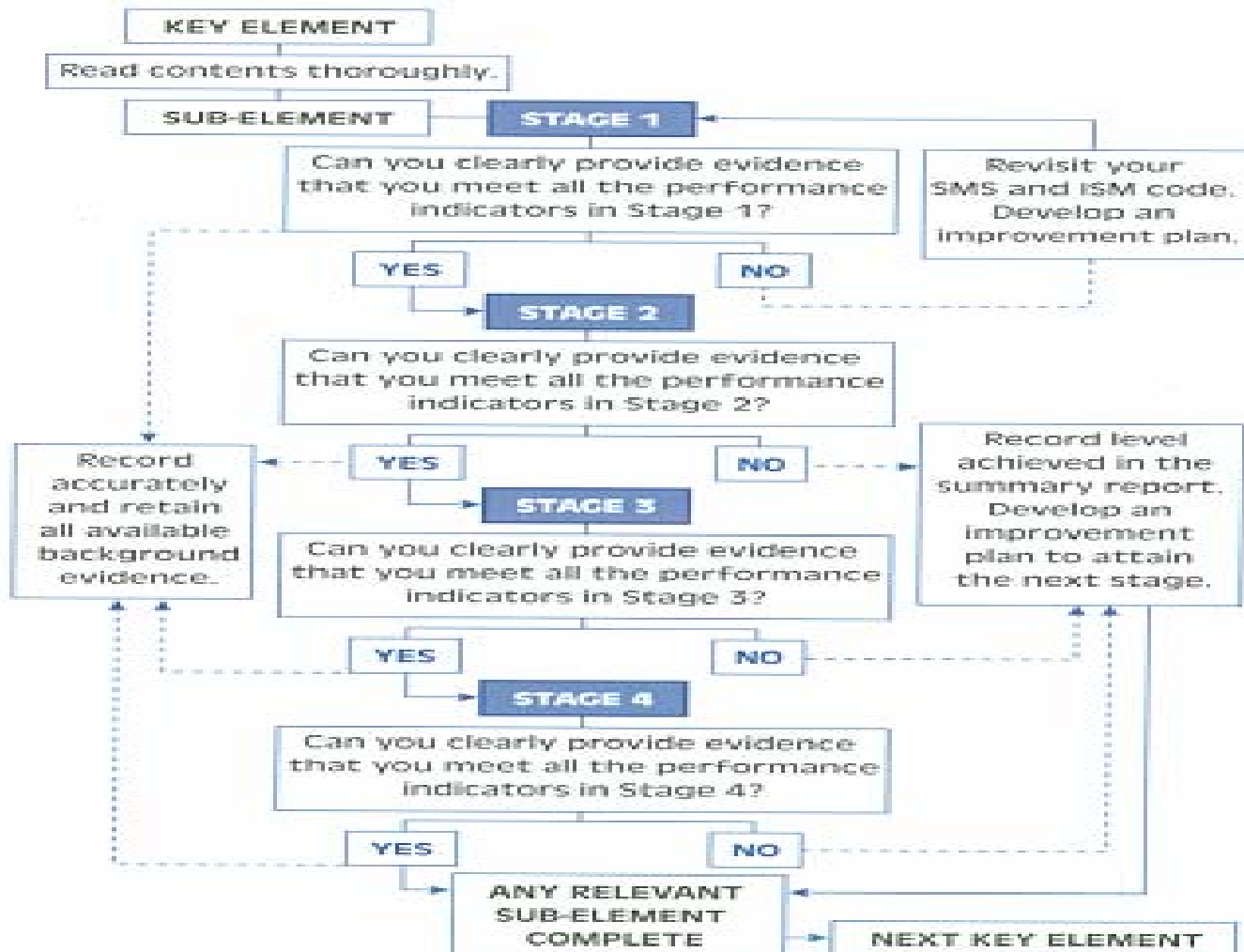
Competitive Environment

- The continued concern among the oil companies to secure safe modern tonnage by dealing with large trusted owners has greatly influenced the continued consolidation within the industry
- Another form in seeking secured tonnage employment is increased pooling arrangements. This has enabled ship-owners to gain stronger marketing power, although the individual ship owner's brand identity might be weakened.
- The drive toward consolidation has provided the larger owners with leverage to better control operating costs by taking advantage of economies of scale.
- Meanwhile, the consolidation has resulted in more fierce competition. Entering tanker operations can only be justified by improving tonnage quality, and building/enhancing relationships with large charterers, while the frequent disruption of oil market and potential threats from other alternative energy supply is beyond ship-owners control

TMSA Key Elements

Management, leadership and accountability
Recruitment and management of shore-based personnel
Recruitment and management of ships' personnel
Reliability and maintenance standards
Navigational safety
Cargo ballasting and mooring operations
Management of change
Incident investigation and analysis
Safety management
Environmental management
Emergency preparedness and contingency planning
Measurement, analysis and improvement.

KPI Verification stages



Element 1

❑ **Management, Leadership & Accountability**

- With strong leadership management promotes concept of safety and environmental excellence
- Management accepts responsibility for developing and maintaining a dynamic safety management system to implement policy and deliver safety & environmental excellence

Element 2&3

Recruitment & Management of Shore based Personnel

- Ensure fleet is supported by key staff who are competent to carry out full range of responsibilities and tasks

Recruitment and Management of ships personnel

- Ensure all ships have competent crew ,who fully understand their roles and responsibilities and are capable of working as a team
- Through strong leadership management promotes the concept of safety and environmental excellence at all levels in an organisation

Element 4

□ Reliability and Maintenance Standards

- Each vessel to have formal maintenance and defect reporting and optimum spare
- Testing and planned maintenance of critical system and equipment carried out per plan
- Management tracks the number of outstanding maintenance tasks to ensure that these are resolved quickly and efficiently

Element 5&6

Navigational Safety

- Establish and consistently apply navigational practice ,bridge procedures and deck officers training in line with regulatory framework and company policies

Cargo, Ballast and Mooring operations

- Ship operation should establish monitor and maintain all planning and operational procedures for cargo and ballasting operations and equipments. Ensure these operations are effectively implemented

Mooring Operations

- Ship operators should establish monitor and maintain all planning and operational procedures Ensure that mooring equipments and operations are effectively managed

Element 7&8

❑ **Management Change**

- A change-management process is in place throughout the office and operates effectively to reduce operational risks
- A change –management process is in place throughout the fleet to assist in identifying hazards and to reduce operational risks

❑ **Incident Investigation and Analysis**

- Comprehensive procedures are prepared and maintained for incident management

Element 9 & 10

❑ Safety Management

- The company has a comprehensive and proactive approach to identification of potential hazards and the shore based management of operational risks
- The company has a comprehensive and proactive approach to the identification of potential hazards and the management of shipboard risks

❑ Environmental Management

- The company implements a plan for the systematic identification and assessment of all sources and atmospheric pollution
- Comprehensive environmental initiative and actions are being implemented onboard

Element 11&12

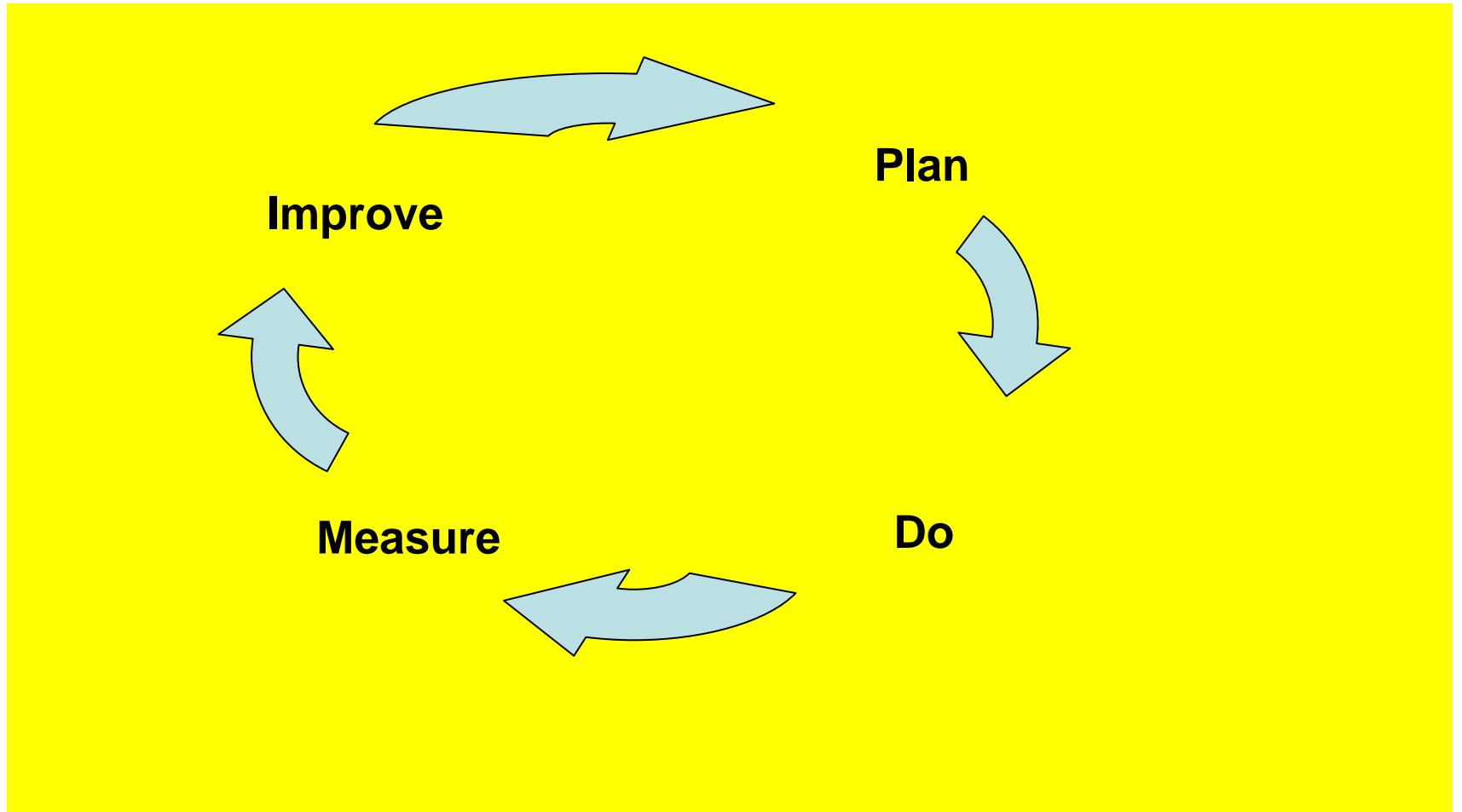
❑ **Emergency preparedness and Contingency planning**

- To improve and test the ship operators ability to respond to manage an incident
- To improve and test the ability of ship operator to respond to an incident by holding regular and realistic emergency drills and exercises

❑ **Measurement, analysis and improvement**

- Company has a structured process for conducting ship inspection and monitor the condition ships of the fleet. Detailed report and closeout plans are maintained ashore. Process to include identifications of trends and provision for promptly closing out any deficiency identified
- The company has a structured process that allows shore based management to conduct planned and systematic audits of all shore and shipboard locations

KPI Cycle

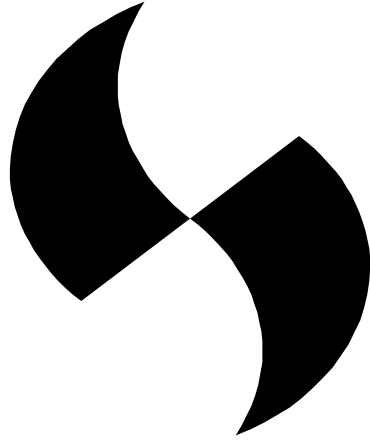


How will it work

- Self assessment to complement ship inspection
- Measure relative performance of one ship operator versus another
- Full use of KPI's
- Assist in well informed vetting decision

OHSAS 18000

- Line Management Responsibility for Safety
- Clear Roles and Responsibilities
- Competence Commensurate with Responsibilities
- Balanced Priorities
- Identification of Safety Standards and Requirements
- Hazard Controls Tailored to Work Being Performed
- Operations Authorization



Drewry