Public Release

Petrofin Research © are pleased to announce the publication of their 2005 Greek shipping research. This research has become a useful reference of Greek and international bodies. Petrofin is an independent research house whose aim is the promotion of knowledge, reliable data and analysis about the Greek-based shipping industry.

Petrofin S.A. is an international Greek-based shipping financial consultancy and research institution operating since 1987 and headed by *Mr. Ted Petropoulos*, Managing Director. Further information, articles and research may be found at www.petrofin.gr

Petrofin Research © has been publishing for 8 consecutive years the detailed profile of the **entire Greek-owned, Greek-based Shipping Companies and Fleets**. Thus, a trend line since 1998 has been established regarding the overall number of Greek Shipping Companies as well as their fluctuation and profile in terms of size of company and the respective age of their fleet.

Petrofin Research© has broadened the research to also examine the trends of ownership in terms of specific vessel types and their ages involving also minimum DWT cut-off criteria.

The initial source used for this study is the 2005 Greek Shipping Directory, cross-referenced with Lloyd's-Fairplay. Furthermore, the collection of data has been crosschecked and enhanced through a numerous additional industry sources.

Our total industry data covers all vessels. However, in the second section, specific research is also conducted into tankers, bulkers and container vessels. Under the "Tanker" term we have included only dirty Tankers, ULCCs and VLCCs. Bulk carriers include bulkers only and not general cargo vessels. Container vessels are just that. Consequently, the research in section 2 does not specifically produce data for chemical tankers, product carriers, LNGs, OBOs, Container/bulkers, etc.

The vessel types upon which the Greek industry largely focuses are: Tankers, Bulk carriers, and Containers. The remainder vessel types are included only in the total statistics for Greek-based shipping.

Research Criteria

1. Only the Greek-owned, Greek-based fleet is taken into consideration. This also includes the Groups that operate abroad, provided they have an office in Greece.
2. Greek-owned, Greek-based shipping companies are counted and divided into 6 categories, in respect of their fleet size and age of vessels they run. These are shown below.
3. The flag is not taken into account. All Greek-owned, Greek-based vessels, of whichever flag are taken into account.
4. The Greek-based, Greek-owned fleet is measured initially as a whole, in terms of Numbers of Vessels, Age of Vessels and DWT.
5. Then a cut-off DWT is used of 10,000DWT to measure number of companies that run vessels above this tonnage. This is done for the whole fleet, then for Bulkers, Tankers and Containers
6. A further cut-off DWT point of 20,000DWT is used for the whole fleet, the Bulkers, the Tankers and the Containers.
7. Newbuildings are only taken into account if they have a delivery date of up to 2006. This ensures a more accurate snapshot of today's fleet, as many of the impressive number of newbuilding orders have delivery dates of 2007, 2008 and beyond. Newbuilding orders may be susceptible to re-sales, cancellations and may thus distort the current picture of the size of Greek companies, the age of their fleets and of vessels actually trading by Greek-based and Greek-owned companies.

We divided the examination of the Greek shipping into 2 sections, as follows:

SECTION A: ANALYSES OF THE GREEK FLEET IN TERMS OF

A. GREEK SHIPPING COMPANIES

B. AGE profile of the Greek fleet

C. Vital Statistics of the Entire Greek Fleet with individual vessel cut-off DWT thresholds of 10,000 and 20,000 m. tons

SECTION B: ANALYSES BY TYPE OF VESSEL

Also, to facilitate the analysis, please note that Greek companies are divided into the following fleet SIZE groups:

Group A (25+ vessels), Group B (16-24 vessels), Group C (9-15 vessels), Group D (5-8 vessels), Group E (3-4 vessels),
Group F (1-2 vessels)

SECTION A

Analyses of the Greek fleet in terms of

A. Greek shipping companies

B. Age profile of the Greek fleet

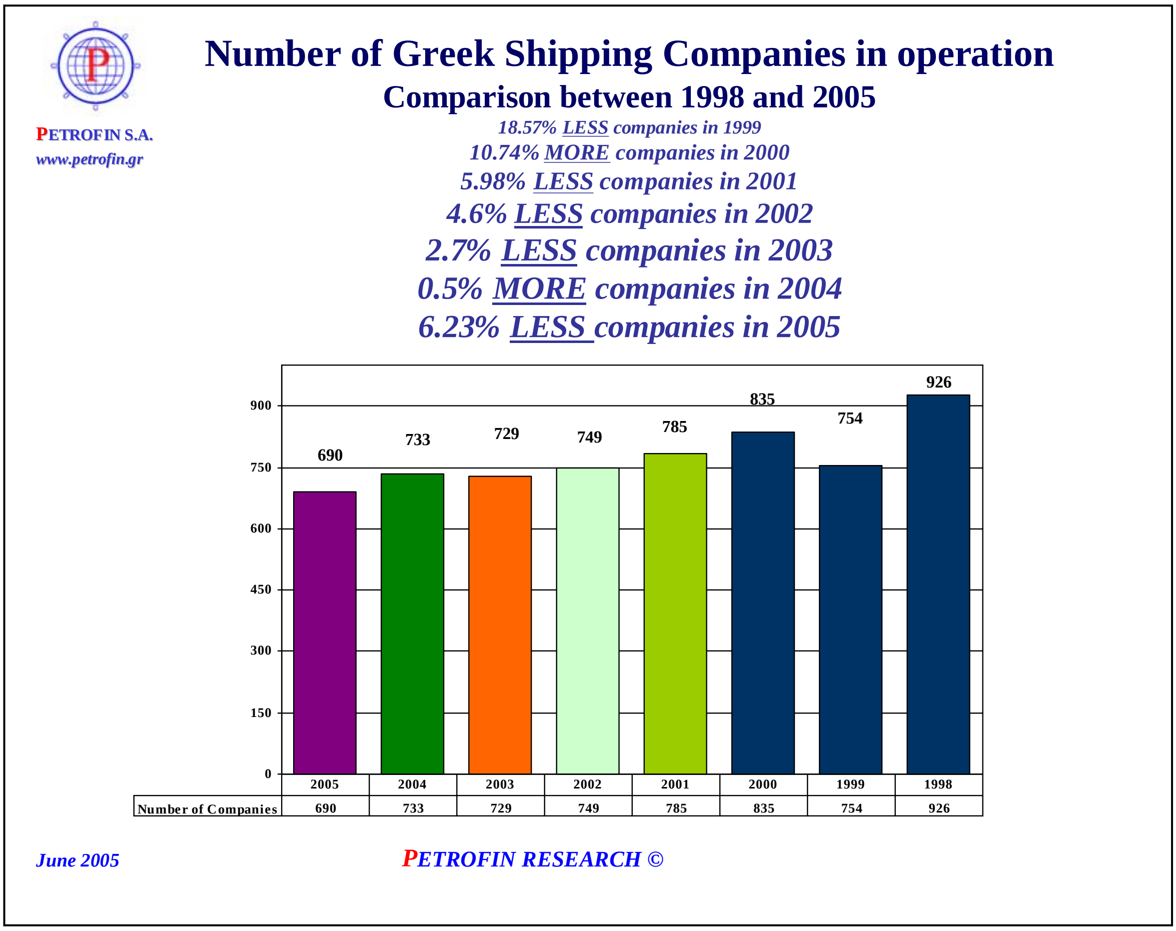
C. Vital Statistics of the Entire Greek Fleet with individual vessel cut-off DWT thresholds of 10,000 and 20,000 m. tons

A. **Greek Shipping Companies**

This year's research shows a total of 690 Greek-based shipmanagement companies. We note in the Graph below that with the exception of 2 years (2000 and 2004) the downward trend is firmly established this year with an impressive drop of 6.23%. The average downward trend over the last 8 years is 4.12% p.a.

The overall reduction in the number of companies since 1998 is an impressive 25.49%.

Table 1



It is interesting to observe that despite the very good shipping market consolidation continues. The reason of course is very different from the consolidation imposed by a bad market. In the former case, the reason is the high values of vessels attracting vessel sales by primarily the small shipping companies which effectively leave the industry. In the latter case the departure is due to forced sales.

The small increase of companies in the previous year was attributed to the positive outlook towards the shipping industry at that time. As vessel prices, however, sky-rocketed in the meantime, few resisted the temptation to make a fortune out of vessels that otherwise would just about realize their scrap value.

In the Table 2 below, we note the percentage held by each company size in the whole of the Greek fleet since 1998.

Table 2

	Percentage of the Greek fleet held by companies according to size						
Year	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
1998	52.16%	21.17%	16.09%	7.34%	1.19%	2.05%	100%
1999	43.1%	22%	18.9%	10.1%	3.4%	2.5%	100%
2000	45%	22.6%	16.8%	10.2%	2.6%	2.8%	100%
2001	44.45%	22%	17%	10.45%	3.7%	2.4%	100%
2002	42.45%	22.69%	17.08%	11.21%	3.37%	3.2%	100%
2003	42.24%	21.66%	18.92%	9.45%	4.25%	3.48%	100%
2004	42.43%	21.14%	19.24%	8.06%	4.9%	4.23%	100%
2005	41.73%	22.75%	18.99%	7.54%	5.22%	3.77%	100%

A summary of observations of the above results:

a. 1-2 vessel companies continue to reduce slowly. Their lowest percentage is this year.
b. 3-4 vessel companies show a noticeable stability.
c. 5-8 vessel companies have a slight tendency upwards with a small reduction this year.
d. Interestingly, 9-15 vessel companies reached a peak in 2002 and then retreated to their 1998 levels.
e. 16-24 vessel companies show the steadiest growth and have peaked this year, in terms of their place in the Greek fleet having almost quadrupled over 8 years.
f. The very large fleets of 25+ vessels peaked last year and this year show a minor reduction. Overall, their percentages approximately doubled over the 8 years.

We wish to make the following points:

1. There is a gradual growth evolution by Greek companies towards larger size.
2. Middle-size companies (Group C) have either grown into Group B or reverted into Group D.
3. Group B and A are showing the largest cumulative gain over the years.

Converting in numbers the above percentage figures in Table 3 below we note the changes between 1998 and 2005:

Table 3

June 2005

GROUP	1998	1999	2000	2001	2002	2003	2004	2005
A (25+ vsls)	19	19	23	19	24	25	31	26
B (16-24 vsls)	11	25	22	29	25	31	36	36
C (9-15 vsls)	68	76	85	82	84	69	59	52
D (5-8 vsls)	149	143	140	134	128	138	141	131
E (3-4 vsls)	196	166	189	172	170	158	155	157
F (1-2 vsls)	483	325	376	349	318	308	311	288
Total number of companies	926	754	835	785	749	729	733	690

Greek shipping is overwhelmingly still dominated by companies that own and operate 1-2 vessels (288 out of 690 in 2005). Their number, however, is the lowest since our data collection has started (1998). Small owners and especially those with older vessels have benefited from a market where all vessels are welcome in view of high demand. Quite a few small owners preferred to be bought out of the market, albeit handsomely, rather than miss it. 1-2 vessel companies have reduced from 311 last year down to 288, i.e. the overall reduction in the number of companies since 1998 is an impressive 25.49%, a loss of 23 companies in one year.

All small-to-medium Group sizes (C, D, E and F) have reduced in terms of number of companies. This underlines two types of mobility, namely one upwards towards the higher Group categories A and B and downwards towards the lower Group categories.

At the other end of the spectrum, the large fleets, i.e. companies with 16 to 25+ vessels have shown a steady increase over the last 8 years.

The above in Graph form is show in Tables 4a, 4b and 4c below:

Table 4a

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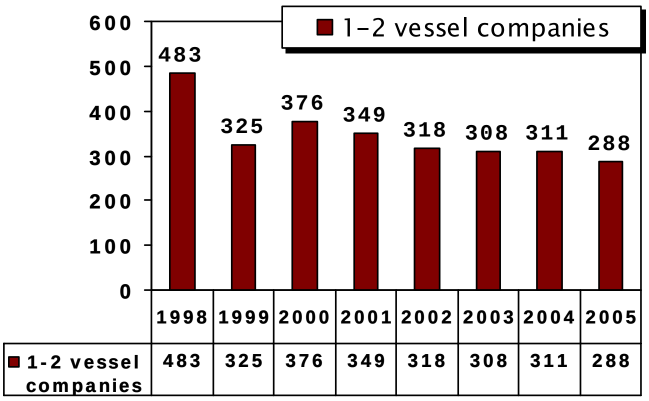
Size and Number of Greek shipping Companies 1998 - 2005

Evolution of 1-2 vessel companies between 1998-2005



Evolution of 3-4 vessel companies between 1998-2005

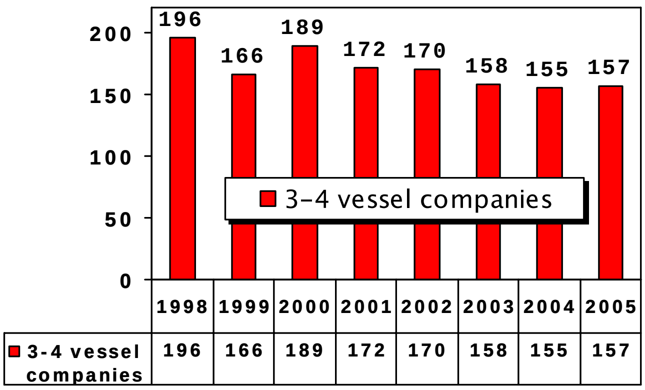


Table 4b

PETROFIN S.A.
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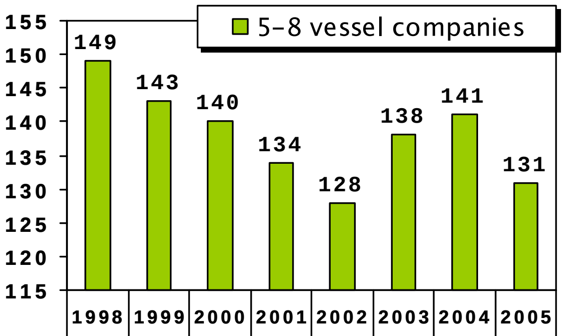
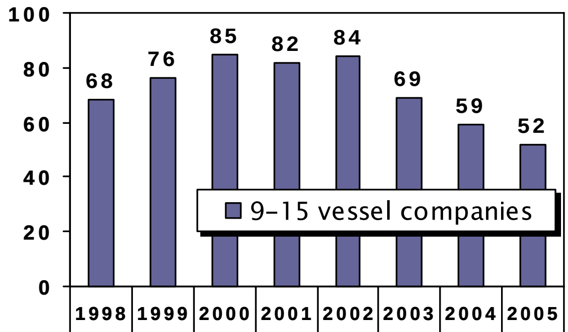
Size and Number of Greek shipping Companies 1998 - 2005

Evolution of 5-8 vessel companies between 1998-2005



	1998	1999	2000	2001	2002	2003	2004	2005
5-8 vessel companies	149	143	140	134	128	138	141	131

Evolution of 9-15 vessel companies between 1998-2005



	1998	1999	2000	2001	2002	2003	2004	2005
9-15 vessel companies	68	76	85	82	84	69	59	52

Table 4c

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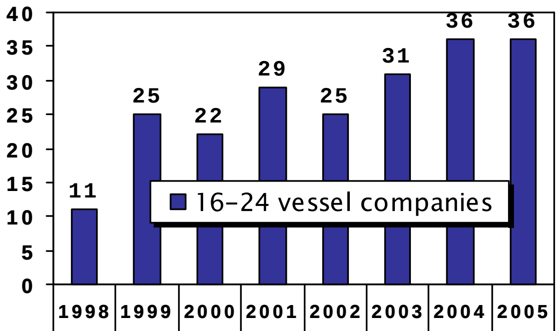
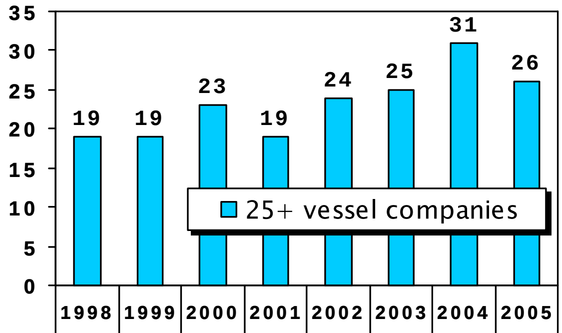
Size and Number of Greek shipping Companies 1998 - 2005

Evolution of 16-24 vessel companies between 1998-2005



	1998	1999	2000	2001	2002	2003	2004	2005
16-24 vessel companies	11	25	22	29	25	31	36	36

Evolution of 25+ vessel companies between 1998-2005



	1998	1999	2000	2001	2002	2003	2004	2005
25+ vessel companies	19	19	23	19	24	25	31	26

Overall Greek-based, Greek-owned fleet size

The S&P and newbuilding ordering activities have been feverish in the past year and this fact, as well as creating tremendous liquidity among Greek shipowners, has also had the effect of reducing the fleet as whole.

Table 5

Year	2001	2002	2003	2004	2005
Number of vessels in the Greek-based, Greek-owned fleet	4110	4142	4085	4184	3970

Here we note that last year the number of vessels in the entire Greek-based fleet, including all types, tonnage and ages, ran up to 4,184 vessels. Since 2001 the fleet size has not dropped below 4000 vessels. For the first time this year, the number of vessels is down to 3,970, representing a reduction by 214 vessels since last year, or of 5.11%.

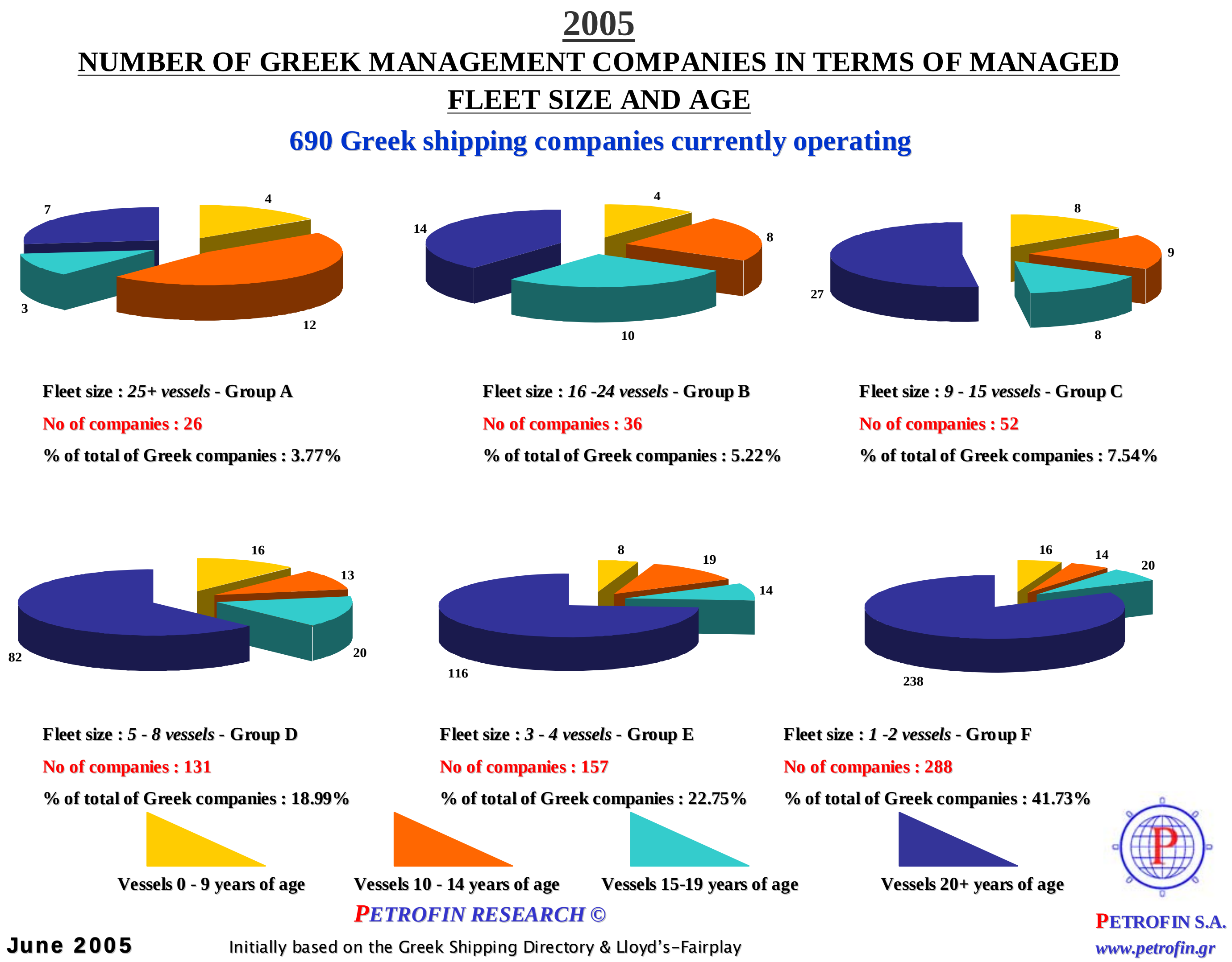
B. Age Profile of the Greek fleet

To enable the analysis, please note that Greek fleets are divided into the following age groups:

0-9 years of age, 10-14 years of age, 15-19 years of age and 20+ years of age

This year's results are summarized in Table 6 below.

Table 6



Specifically, in Table 6 one can observe the breakdown of the Greek fleet, according to two key criteria: age and size of company fleet. As such, the six pies represent the 6 fleet sizes into which the whole of the Greek fleet has been broken down and the pie segments represent the age of the vessels.

A discussion of the age of the fleet follows immediately below, comparing the last 8 years' results.

Table 7a: Fleets of 20+ years of age

	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2005	238	116	82	27	14	7	484
2004	258	112	80	35	11	10	506
2003	256	119	84	38	11	10	518
2002	262	134	81	49	10	10	546
2001	292	133	94	46	14	11	590
2000	302	138	89	45	10	9	593
1999	253	130	91	40	13	11	538
1998	No comparable data as in 1998 15-19 and 20+ year old vessels were calculated together						

The table shows the concentration of older vessels among the smaller owner companies.

The oldest vessels of the Greek fleet are being reduced. This trend does not, however, show a radical shift. Although a good 22 overage vessels have left the Greek fleet, a large number is still here, largely on account of the good market. It is interesting to note that there is still a sizeable number of fleets where vessels are 20+ or 30+ years old. These are small and some not so small tankers, bulkers, ferries, etc. operating locally or in more age-relaxed zones. Their importance should not be underestimated when we refer to the Greek-owned, Greek-based fleet, as they bring the whole age average of the fleet down. Specifically, 152 companies run fleets with an average vessel age of 38 years, representing a total DWT tonnage of 1,635,755 tons (overall 464 vessels). Of these companies, 54 run fleets with vessels averaging 44 years of age (130 vessels). The reduction in this age group accounts to a very large extent for the reduction in 1-2 vessel companies by 23, as was shown above.

Table 7b: Fleets of 15-19 years of age

	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2005	20	14	20	8	10	3	75
2004	20	28	31	9	13	5	106
2003	24	23	29	17	12	7	112
2002	33	22	31	21	6	9	122
2001	35	27	24	22	6	6	120
2000	47	35	33	24	7	7	153
1999	48	26	33	23	7	7	144
1998	No comparable data as in 1998 15-19 and 20+ year old vessels were calculated together						

15-19 year old fleets have shown the largest reduction this year. 31 vessels have left, primarily from 3-4 and 5-8 vessel companies. A reason for this has been the good values commanded by such relatively old vessels during the buoyant shipping market. Overall, though the small size of owner the older the fleet under this category, even though the ration is not as pronounced as in category F above.

Table 7c: Fleets of 10-14 years of age

	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2005	14	19	13	9	8	12	75
2004	14	11	15	7	7	11	65
2003	11	10	18	7	6	7	59
2002	10	8	9	8	7	5	47
2001	8	5	11	9	5	2	40
2000	14	8	13	11	3	6	55
1999	10	4	15	10	2	1	42
1998	14	8	15	14	2	2	55

The interesting phenomenon here is that the distribution for this vessel age has become more even over the years, i.e. it is an age of fleet equally suited for small to large companies.

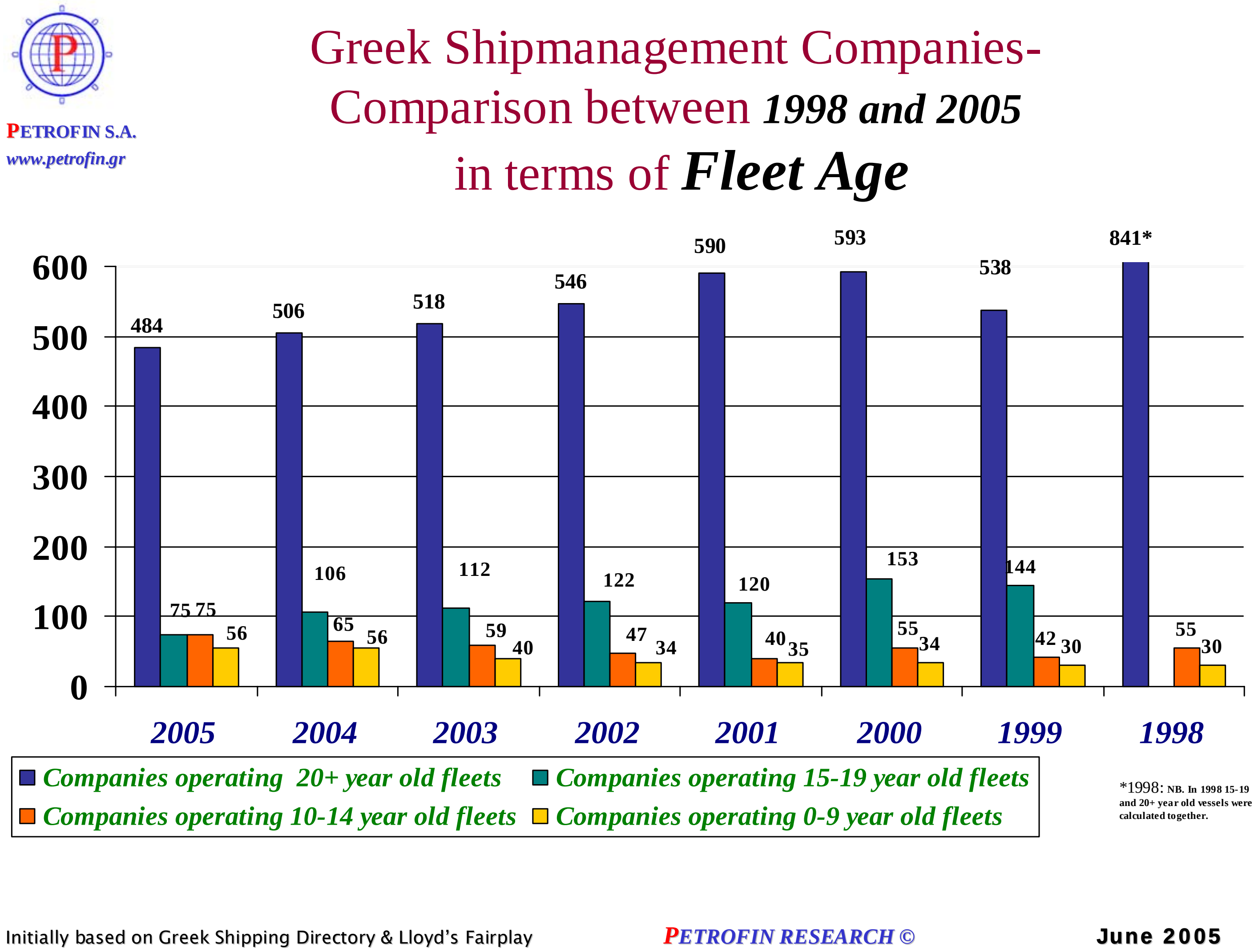
Table 7d: Fleets of 0-9 years of age

	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2005	16	8	16	8	4	4	56
2004	19	4	15	8	5	5	56
2003	17	6	7	7	2	1	40
2002	13	6	7	6	2	0	34
2001	14	7	5	5	4	0	35
2000	13	8	5	5	2	1	34
1999	14	6	4	3	3	0	30
1998	16	5	5	1	2	1	30

The number of the youngest fleets has not changed since last year. The distribution in terms of the size of company however has changed. Four more 3-4 vessels companies now run 0-9 year old vessels. Our main observation over the past 8 years is the near doubling of the number of companies owning fleets in the very young age category.

In Table 8 we see a collective graph of the above results.

Table 8



Although at first glance the differences are small, a number of important conclusions can be drawn as to significant changes in the Greek fleet operating companies. Primarily, the 2 oldest fleet types (operating vessels 15+ years of age) are down by 53. This is significant as the decrease is translated into the withdrawal of quite a few old vessels. Considering the minimal levels of scrapping reported in the last year, this withdrawal can only be explained as sale of those vessels at very attractive prices.

<u>Banking considerations</u>

In addition to quality criteria, banks usually have a strong preference for owners with a) larger fleets and b) younger fleets

Using our 2005 research, we can provide the following analysis:

1) In terms of fleet size, there are 114 companies operating fleets of 9 vessels and over. In addition, there are 131 companies with fleets of 5-8 vessels, most of which are of interest to banks. Lastly, there are 157 companies with fleets of 3-4 vessels, some of which may have other qualitative criteria so as to interest banks. To summarise, therefore, using the fleet size, the target client population for banks would vary from bank to bank (based on their overall lending criteria) from a minimum of approx. 100 clients to a maximum of approx. 200 clients. The latter assumes that is about 50% of Group D and 25% of Group E qualify.

2) In terms of age of vessels, there are 56 companies that operate fleets of 0-9 years old which we presume on the basis of age would qualify. There are also 75 companies that would still be of interest to the managers of banks with fleets of 10-14 years old. Consequently, using age as a criterion, there are approx. 130 potential clients for banks.

We wish to point out that there is always a number of companies that may not excel in terms of age or size but may have other desirable characteristics from a bank's point of view, e.g. large liquidity, use of bank's overall services, potential growth, quality criteria, secured employment, etc.

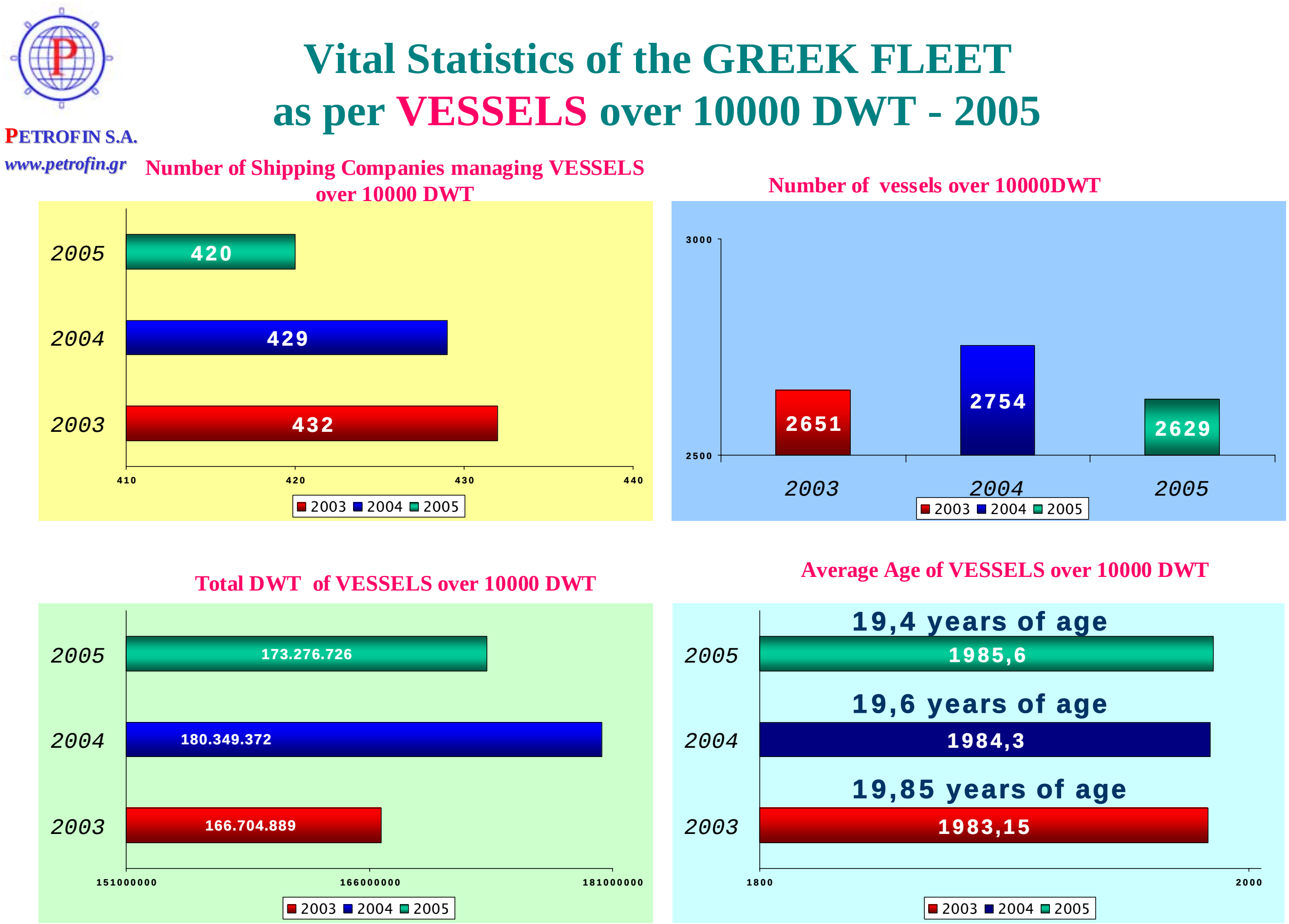
Lastly, in recent years, there have developed a number of banks that have concentrated on the smaller owner financing primarily older or off-standard specification vessels, e.g. single hull tankers. These banks operate in their own 'niche' market providing lesser loan amounts per vessel, swifter repayment schedules and higher overall yields.

C. Vital Statistics of the Entire Greek Fleet

This part of our research comprises data since 2001. The 2 Graphs below show the fluctuation of the number of companies, the number of ALL vessels and age of Greek fleet with cut-off individual vessel DWT thresholds of 10,000 and 20,000 ('ALL vessels' means everything that floats and is under Greek control but these DWT cut-off thresholds have by definition excluded a large number of small vessels, such as fishing vessels, tug boats, etc, that may bias unduly the results and increase significantly the average age of the Greek fleet):

Vessels of over 10,000 DWT

Table 9



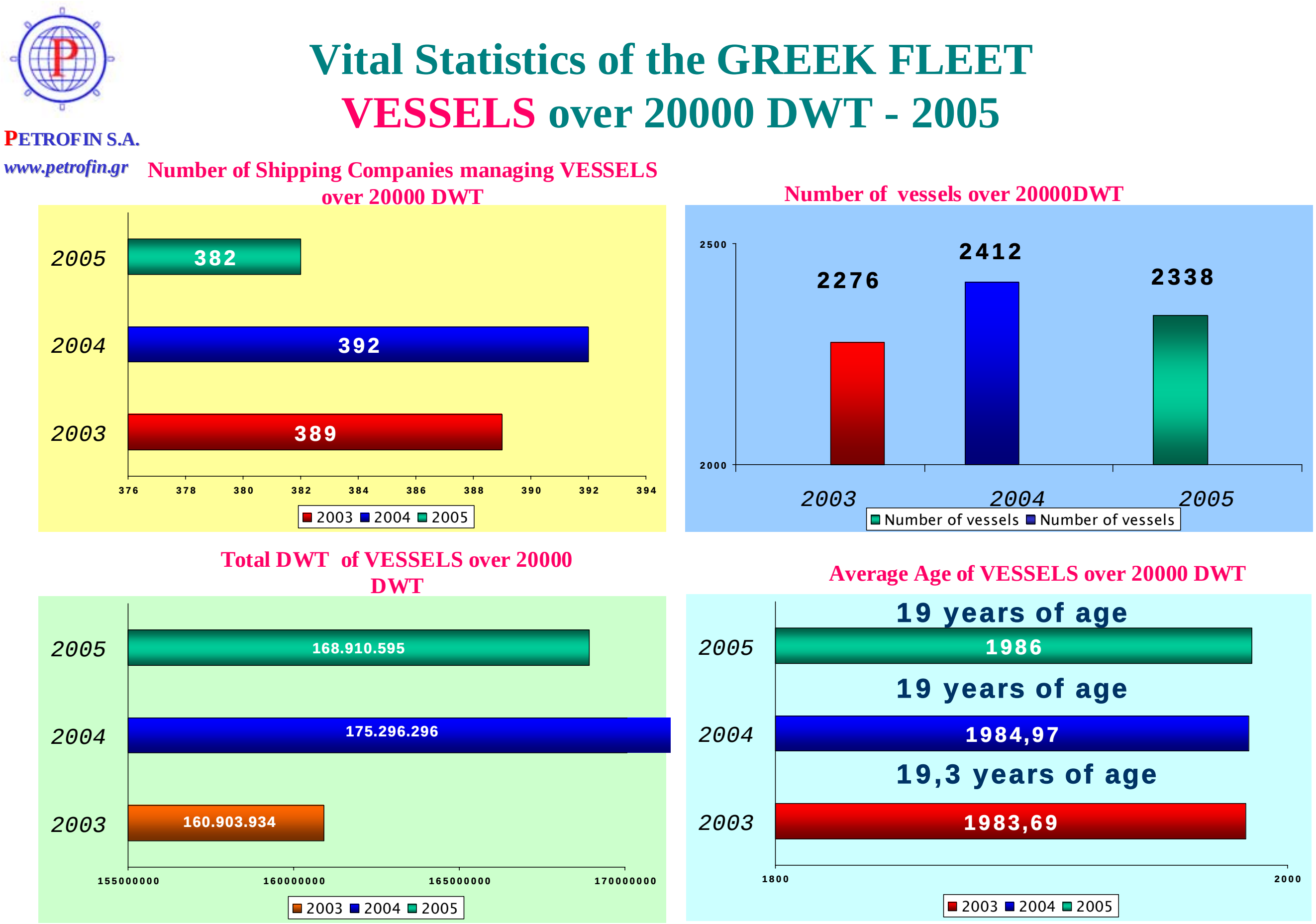
- Whereas the total number of Greek Shipping companies fell during the previous year from 733 to 690, those running vessels of over 10,000 DWT declined from 429 to 420.
- The previous year's increase in deadweight and vessel numbers has not repeated itself this year. Total fleet deadweight under this category declined from 180,349,372 m. tons to 173,276,726.

- The total number of vessels over 10,000 DWT also fell from 2,754 vessels in 2004 to 2,629 vessels in 2005. The most important development this year is that although the collective deadweight is down and the number of vessels has dropped significantly by 125, the average deadweight per vessel has risen from 65,486m tons to 65,904.

- The average age of the whole fleet of vessels over 10,000 DWT did show a small improvement from 19.6 years to 19.4 years.

Vessels of over 20,000 DWT

Table 10



- Under this category, the companies that run vessels of over 20,000 DWT decreased from 392 to 382.

- The total Greek fleet in the year 2005, consisting of all vessel types of over 20,000DWT, amounts to 168,910,595DWT down from 175,296,296 DWT.

- The total number of vessels over 20,000 DWT fell from 2,412 vessels in 2004 to 2338 in 2005. The average DWT of each vessel in this category fell only slightly, although 74 vessels have been lost, from 72,677 to 72,245 DWT.

- The average age of the whole fleet of vessels over 20,000 DWT has remained steady at 19 years.

Summary of results

In Table 11 below, we present over time the development of the Greek fleet using the DWT fleet thresholds of 10,000 DWT and 20,000 DWT in terms of 4 key criteria:

a) Total fleet DWT
b) Number of vessels
c) Average age of the fleet, and
d) Number of shipping companies

Table 11

Analysis of the Greek fleet

	Total Fleet	No. of vessels	Average Age	**No. of Cos.**
Ships over 20,000 DWT 2005	168,910,595	2,338	19	382
Ships over 20,000 DWT 2004	175,296,296	2,412	19	392
Ships over 20,000 DWT 2003	160,903,934	2,276	19.3	389
Ships over 10,000 DWT 2005	173,276,726	2,629	19.4	420
Ships over 10,000 DWT 2004	180,349,372	2,754	19.6	429
Ships over 10,000 DWT 2003	166,704,889	2,651	19.85	432
Ships over 10,000 DWT 2002*	166,117,271	3,451	20.75	487
Ships over 10,000 DWT 2001*	152,092,312	3,491	21.13	505
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SECTION B

Analyses by type of vessel

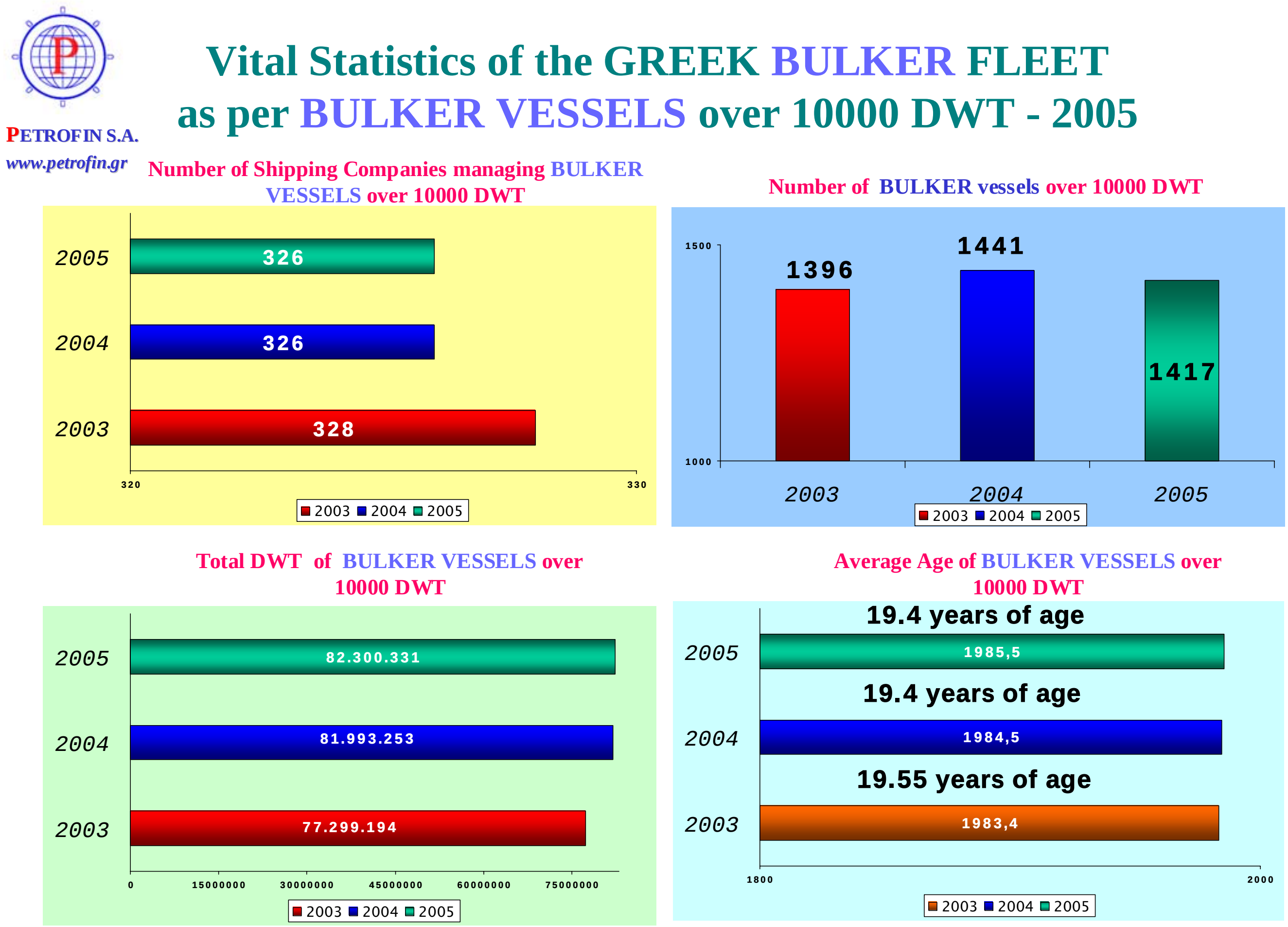
The Greek bulker fleet as per <u>bulker</u> vessels over <u>10,000 dwt</u> each

Comparisons between 2003, 2004 and 2005

The graph below shows that although the number of companies remained the same, vessels of this particular sub-sector are down by 24. However, tonnage went up by **307,078 DWT**. This shows the internal fleet reshuffle which resulted in an increase in tonnage whilst the number of vessels went down.

The average age is also the same, as the need to replace the older fleet given the very good market of the last few months has been negligible. In addition, the effect of newbuilding deliveries has been countered by the fleet's normal aging process.

Table 12



The Greek bulker fleet
as per <u>bulker</u> vessels over <u>20,000</u> dwt each

Here the companies went up by 2, although the number of vessels is reduced by 18. Tonnage is also up by an extra 450,973m tons.

Table 13

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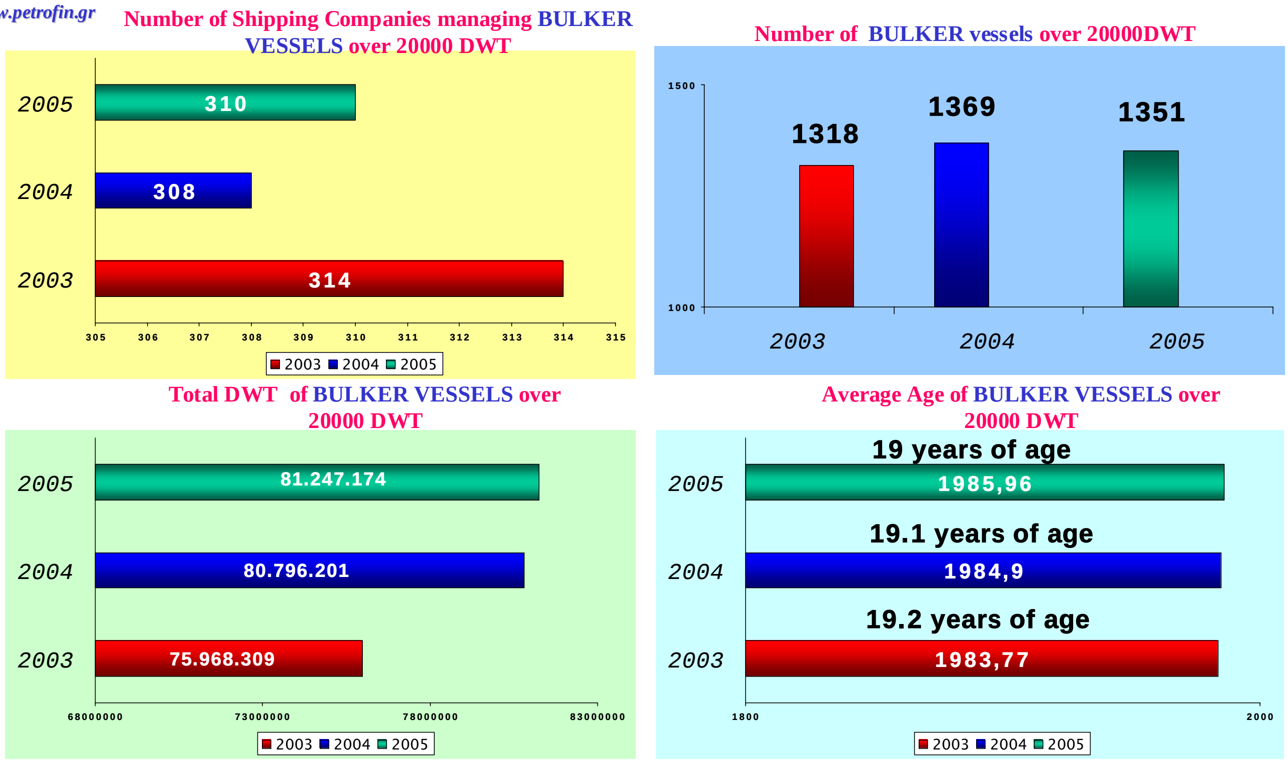
Vital Statistics of the GREEK BULKER FLEET as per BULKER VESSELS over 20000 DWT - 2005



<u>Notes on the bulker fleet</u>

Bulkers are still the most popular types of vessels for a Greek owner. There was a small reduction in age for the over 20,000DWT and no change in age in the 10,000DWT bulk carrier fleet. The shift towards larger vessels continues. A number of newbuildings joined the fleet and second-hand vessels joining the fleet were younger than those leaving. However, since there was little scrapping, the remainder fleet carried on working and getting older. The end result was a year of little change in the fleet's average age.

The Greek container fleet of container vessels over 10,000 dwt each

Comparisons between 2003, 2004 and 2005

The growth in the container sector is expressed this year only in terms of tonnage, with an added 152,448m tons. Company-wise the sector is down by 11 companies and vessel-wise it is down by 17 vessels. The container sector remains the second youngest sector (after the tanker sector), although the market attracted the addition of older containers that increased the average age slightly from last year.

Table 14

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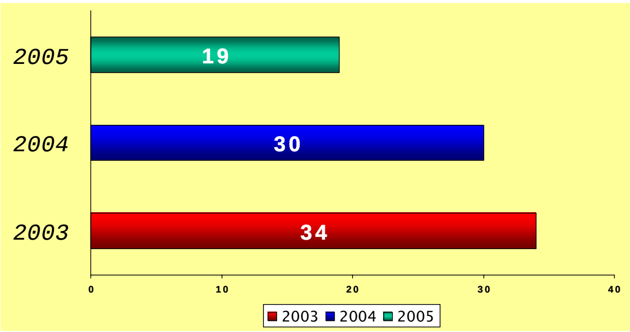
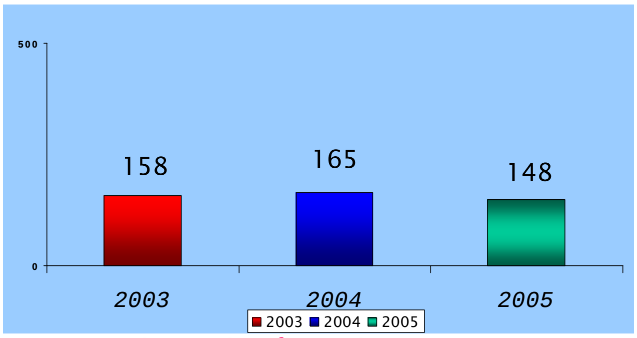
Vital Statistics of the GREEK CONTAINER FLEET as per CONTAINER VESSELS over 10000 DWT - 2005

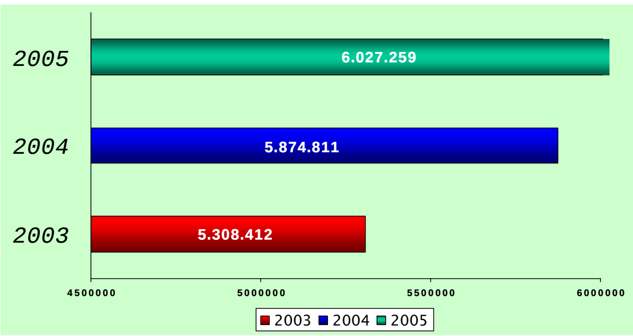
Number of Shipping Companies managing CONTAINER VESSELS over 10000 DWT



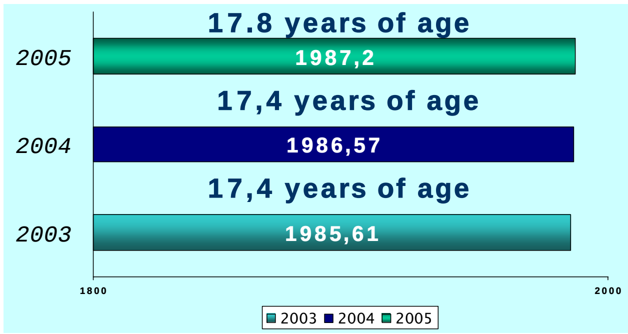
Number of CONTAINER VESSELS over 10000DWT



Total DWT of CONTAINER VESSELS over 10000 DWT



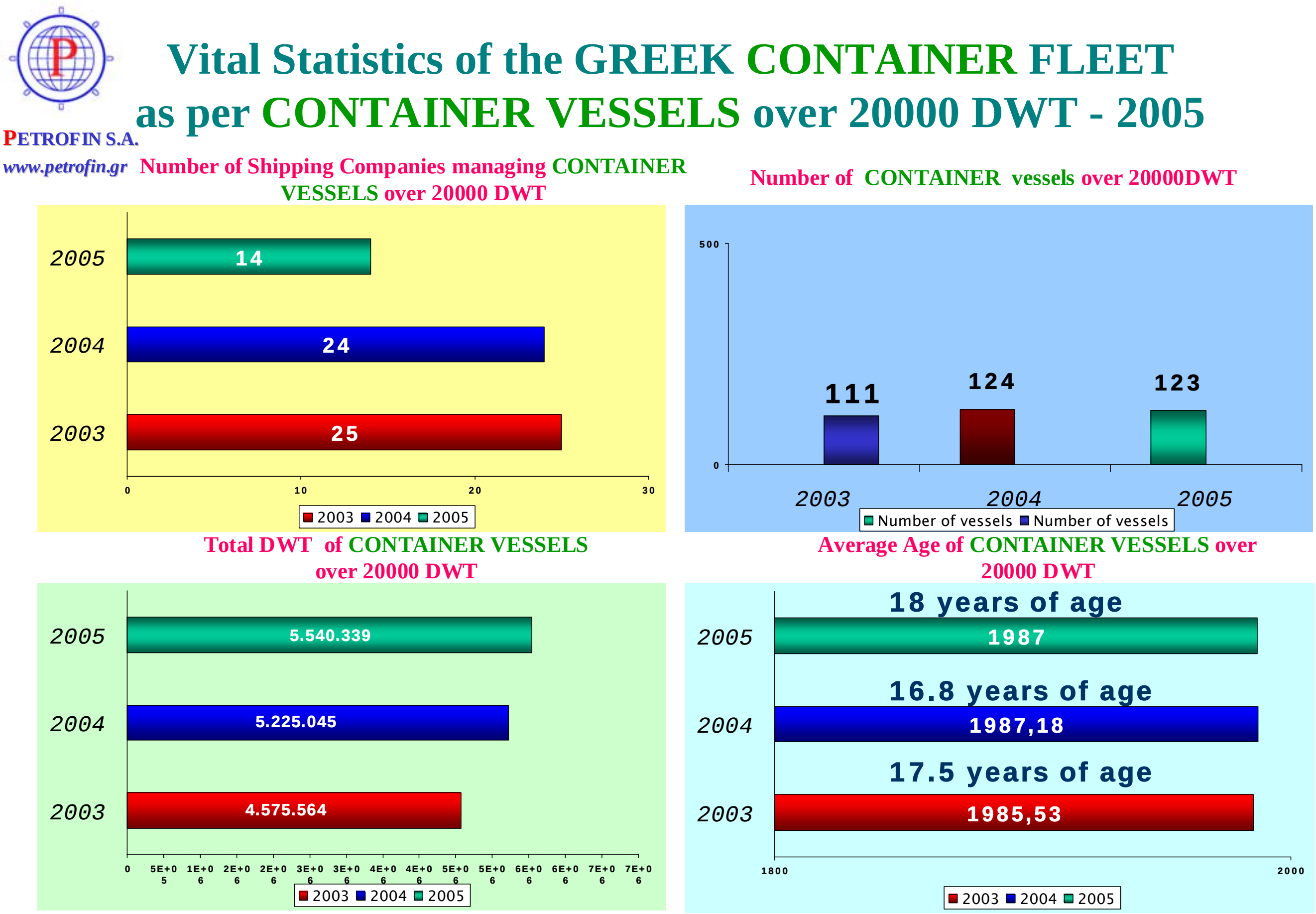
Average Age of CONTAINER VESSELS over 10000 DWT



The Greek container fleet
of container vessels over 20,000 dwt each

Comparisons between 2003, 2004 and 2005

With 10 company less and 1 vessel less, we have 315,294 m tons DWT more tonnage. The age of this sector has also moved upwards noticeably, in view of the popularity of older container vessels in the last year.



The Greek tanker fleet
of <u>tanker</u> vessels over <u>10,000</u> dwt each

Comparisons between 2003, 2004 and 2005

1. As one of the two most preferred types of vessels by Greeks (bulkers being the other one) the results of the comparison between the years 2004 and 2005 are again very interesting.

2. Although the companies that run tankers over 10,000DWT are down by 7 and the actual tankers are down by an impressive 69 units and even the tonnage is down by 8,827,273 DWT, the actual age has improved significantly from 17.1 years to 15.7 years of age. Thus, this is a sector which continues its tendency to become younger. The delivery of new tankers is showing through our research. Although this sector, by definition, includes some very old vessels of the Greek fleet, which unavoidably and historically defused the impact of the newbuilding investment spree, we continue to see in real numbers the tendency towards younger tankers.

3. The fall in he number of vessels is primarily due to the sale by Greeks of many single hull tankers.

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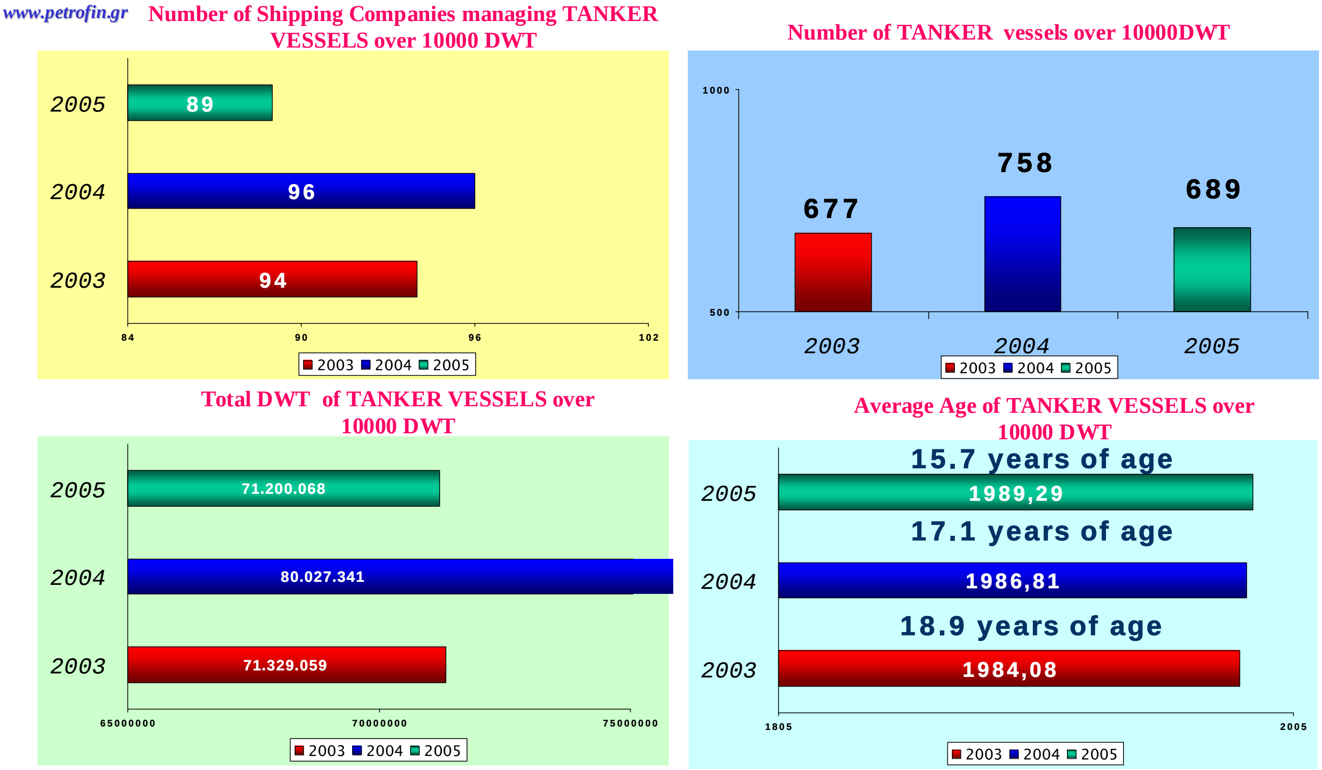
Vital Statistics of the GREEK TANKER FLEET as per TANKER VESSELS over 10000 DWT - 2005



The Greek tanker fleet
of <u>tanker</u> vessels over <u>20,000</u> dwt each

Comparisons between 2003, 2004 and 2005

1. Companies in this sector are also down by 7. 64 units have left the Greek fleet and tonnage has been reduced by 8,776,875 DWT.
2. Tankers in this sector have become younger impressively with their age falling from 16.47 years to 15.13.
3. Once again the sale of single-hull tankers on the one hand and the inclusion of newbuildings on the other has resulted in a smaller but lower-aged fleet.

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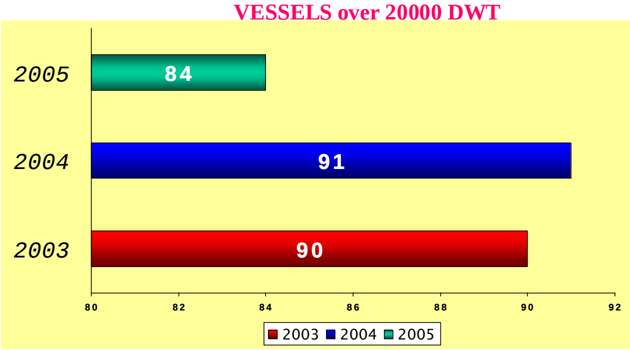
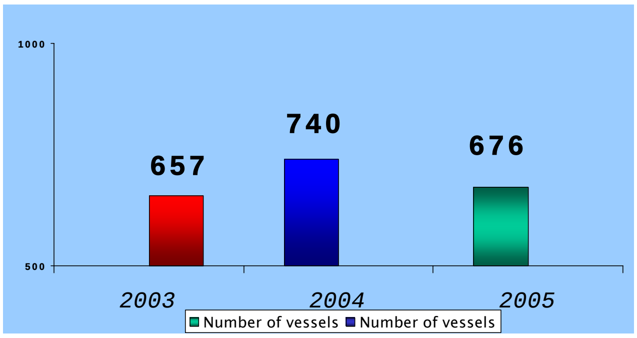
Vital Statistics of the GREEK TANKER FLEET as per TANKER VESSELS over 20000 DWT - 2005

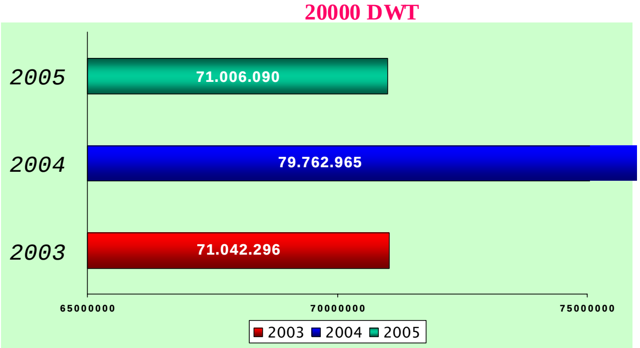
Number of Shipping Companies managing TANKER VESSELS over 20000 DWT



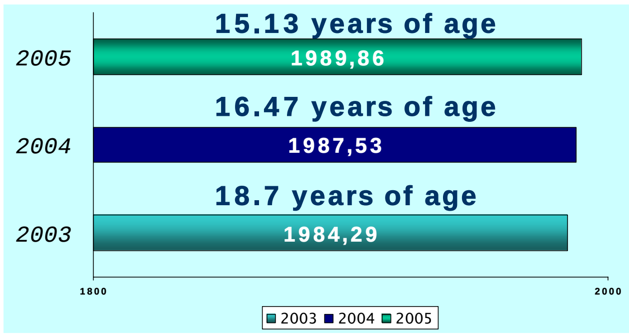
Number of TANKER vessels over 20000DWT



Total DWT of TANKER VESSELS over 20000 DWT



Average Age of TANKER VESSELS over 20000 DWT



Commentary

Over the last year, the Greek fleet, (Greek-owned and Greek based), has continued its development, this time reflecting the impact of an extraordinary market.

Clearly, the figures this year point out to the fact that the demand for vessels has lead owners to sell for very high prices or buy vessels to trade at very high rates. This has been an agonising dilemma in Piraeus: sell or trade? Both actions have been of such lucrative nature that the decision for either has been a matter involving impressively large amounts of money.

Given the massive Greek newbuilding orders, the small improvement in age does come as a disappointment, with the notable exception of tankers. However, readers should realize that the total figures are heavily influenced by many grossly overage vessels as shown on page 12, showing that Greeks are still holding on to their older vessels, and the good market has assisted them to do so. Also, readers should not be swayed by analyses, which include all Greek newbuildings that have not been delivered and are not due to be delivered until 2007, 2008 and beyond, nor by the lack of clarity as to the DWT cut-off being used nor by any weighted average calculation according to size of vessels. In addition, Petrofin Research© has consistently analysed the Greek-based, Greek-owned fleet and does not include fleets managed outside of Greece nor does it include only Greek flagged vessels.

Also, it has become abundantly clear that **most of the older vessels are run by the smaller Greek companies**, which are by far the most vulnerable to the challenging conditions, regulations and financial pressures, as well as, diseconomies of scale. The small owners are the first to suffer should the market fall.

The situation improves significantly when we deal with the large tanker sector although this year shows improvement only on the age front.

The reduction in the number of vessels is indeed the most noticeable aspect of this year's research. Owners have sold (primarily their single hull vessels) and are now waiting for the market to correct itself so that they can buy back vessels cheaper. The liquidity overall is of uniquely high standards and supports the further qualitative growth of Greek shipping.

In essence, the quality revolution of Greek Shipping (and not so quiet this year given the publicity) seems to have continued assisted by an exceptionally strong market. Also, the market offered a unique opportunity to sell older vessels at historically high levels, and this was also taken advantage of. Everyone is preoccupied with where the market is heading. It remains to be seen whether the strategy of selling and waiting, or buying new but very expensive, both followed by owners in the past year, will eventually pay off and for whom.

As the market is now showing signs of cooling off, it would be more interesting to see how owners react over the next year to a less buoyant market in terms of purchases and sale as well as scrapping. Our expectation is that there will be further pronounced falls in the average age of vessels and a large rise in the average size of vessel for all categories.