FAQ’s

Q What is VesselsValue.com?
A An online service for:
   VVS Five Values - Instant Vessel, Fleet and Portfolio valuations for Market, Demolition, Discounted Cash Flow, Book and Replacement Values
   VV+ Searching for vessels by characteristics and analysing the global fleet.
   VV@ Live mapping of the world deepsea fleet and Distance Routing Calculator
   VVQ Bespoke Consultancy - Customisable analytics

Q What vessels are currently included?
A Bulkers / Containers / LNG and LPG / Tankers / Small Tankers
Circa. 33,000 live and newbuilding vessels.

Q What type of value is reported?
A Current fair Market, Demolition and daily historical values starting 1st January 2007. DCF, Book and Replacement values coming soon

Q What are the assumptions made in the Market valuations?
A The assumptions are described in the Terms and Conditions.
   The essential assumptions are that:
   1) The Market value provided is an estimate of fair market price as at the valuation date only, and is based on the price VesselsValue.com estimates as its opinion in good faith that the vessel would obtain in a hypothetical transaction between a willing buyer and a willing seller on the basis of prompt charter free delivery at an acceptable worldwide delivery port, for cash payment on standard sale terms.
      For the purposes of that opinion, it is assumed that the particulars of the vessel are correct and that the vessel is in good, sound and seaworthy condition, free of maritime liens and all debts whatsoever, fully classed to the requirements of her present classification society, free of class recommendations, with clean and valid trading certificates and where relevant to type and age of vessel with full oil majors, Rightship and any other relevant approvals in place.
      It should be noted that VesselsValue.com has neither made a physical inspection of the vessel nor her class records.
   2) No warranty is given as to the condition of the vessel, the correctness of its stated characteristics or particulars, or the state or availability of its records.

Q Are the values real time and if so, what changes them?
A Yes, values are determined by real-time market information, notably transactions and earnings sentiment. Additionally, the algorithms are re-calibrated nightly to best reflect the ever changing relationships through the market cycle.

Q When did the project start and how long has the valuation module (VVS) been in development?
A The idea and initial research stretches back to 2008, but full time development started in June 2010. VVS went live in May 2011, VV+ in November 2012, VV@ in June 2013 and Five Values in 2015.

Q What is VesselsValue.com’s relationship with Seasure Shipbrokers?
A VesselsValue.com works directly with Seasure S&P brokers in development and in on-going data collection, testing and optimisation.

Q Who is VesselsValue.com for?
A Current subscribers include:
   • Commercial and investment banks
   • Shipping funds and leasing companies
   • Ship owners and brokers
   • Accountants and lawyers
   • Oil and commodity majors
   • Classification societies and P&I clubs.
   • Insurance firms
FAQ's continued

**Q** What support is provided for the site?
**A** Full support is offered as part of the subscription. This includes commercial, analytical and technical.

**Methodology & Mathematics**

**Q** What factors are used in the Market valuation model?
**A** VesselsValue.com uses a 5 factor model along with ship sales:
- Age / size / features / type and freight earnings. Transactions are used to calibrate the model.

**Q** How do we determine the relationship between value and these factors?
**A** Ship types are used to segment the data allowing each type to be modelled independently.
- The impact of features is estimated by the S&P brokers and then analysed, tested and refined.
- The sensitivity to age, size and earnings are determined using regression techniques (weighted, multivariate, robust, non-linear, constrained model).

**Q** What happens when there are no recent comparable sales?
**A** The algorithms use a window of comparable sales with heavier weightings for recency. For particularly illiquid sectors, sales of different, but similar vessels may be used.

**Q** What is the importance of the recency of comparable sales in valuations?
**A** We realise that a sale done yesterday has more bearing than one from 2 months ago. So, we assign greater influence in our regression for recent sales.

**Q** How often are the regressions run?
**A** Daily.

**Q** How many calculations are done by the system and how long on average do these take?
**A** Every evening, circa 33,000 valuations are calculated. Each valuation involves around 500 calculations, which results in the region of 12 million calculations each night.
- Our daily historical valuations currently go back to the 1st of January 2007, which is equivalent to 60 million data points, requiring 30 billion individual calculations.
- To value the fleet overnight and to populate all relevant tables takes around 20 minutes.

**Q** How are historical values calculated?
**A** Historical values are calculated using all the data that was available at the time.

**Q** How far back do historical values go?
**A** Currently from 1st January 2007, soon to be back to 2001.

**Q** How is accuracy measured, reported and its integrity ensured?
**A** We measure our valuations against actual sales. We use a process of back-testing whereby we value vessels using only the information that would have been available to us on the day before each vessel in our sales list was sold. This is then compared with the actual price achieved. Since our system has no hindsight, this is a true test of how it would have performed.
- We report accuracy as a distribution of the deviations from the realised sale price. We calculate summary statistics and tabulate the number of valuations within certain amounts of the sale price. We report this accuracy on a regular basis to all users.

**Q** How do we ensure the best possible accuracy?
**A** Accuracy is dependent on the quality of the data and the robustness of the model.
- To ensure quality of the data we undertake extensive and stringent data collection, testing, management and validation against multiple sources.
- To ensure the robustness of the model, we are continually refining our mathematical and computational algorithms through back testing, outlier analysis and on-going optimisation.

**Data**

**Q** How many ships are currently available to value?
**A** 33,550 as of 12th January 2015.

**Q** What are the ship type categories?
**A** Refer to the chart on the next page.
FAQ’s continued

Overlaps in size between categories reflect differences in sizes of newer and older ship designs.

Q What data do we collect and record?
A Ships
• All technical characteristics
• Ownership history and relationships
• Names and ex-name history
• Status changes
• Class, flag and incidents.

Sales
• Details of buyer, seller and price
• Sale specific conditions (i.e. sale and lease back, en bloc sales and attached time charters)
• Additional comments and considerations (i.e. distressed or internal sales)
• Additions and removals to fleet by newbuildings and demolition.

Freight market
• Variety of freight earnings data on a daily basis.

Q Where do we get the data from?
A Ships
• Existing Seasure Shipbroking database derived from 20 years of S&P and chartering correspondence
• Direct research with operators, brokers and other industry experts
• Industry recognised surveys for detailed tanker information
• A global vessel tracking service for accurate information on number of ships on the water and corresponding IMO and MMSI numbers
• Class records where publicly available
• Publicly accessible owner or operator websites and fleet lists
• News publications and press releases
• VesselsValue.com sales database for timely and accurate change of operator information
• Demolition and beaching reports to identify potential dead ships.

Sales
• Direct and indirect broker involvement in the sales
• E-mails and other communication within the S&P markets
• S&P broker weekly reports
• News publications and press
• Formal and informal statements from operators, brokers and other market participants
• Public websites and other sources
• From a variety of market sources on a regular basis.

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<th>Size (max)</th>
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Correct as at 22/10/2014
FAQ’s continued

Q What on-going data updates do we make?
A The updates are:
• New ships and corresponding details
• Identification of when new buildings are launched into active service (i.e. changes in ship status)
• Continuous updating of ship names, ex-names classification society
• Identification of conversions and other changes in ship features
• Removal of scrapped ships and total losses
• Ownership.

Q What data management do we conduct?
A We conduct:
• Categorisation of ship types according to the industry standard definitions
• Detailed cross checking using multiple data sources
• Analysis by yard, owner, operator and ship type to identify and eliminate inconsistencies and contradictions
• Detailed ship feature outlier analysis
• Automated potential error identification reports
• Confirmation of sales and ships features with primary sources such as owners and brokers
• Regular outlier analysis of the value of every ship in the database.

Products

Q What is VV+?
A An intelligent search engine that allows the user to query the database using multiple combinations of commercial and technical specifications. The power to interrogate the whole database is multiplied when added to VV@.

Q What are the other VV$ Five Values?
A Discounted Cash Flow Value: This is the amount it would be expected to earn as a working vehicle.
Book Value: The accountants value and is what often appears on the balance sheet of a ship owning company.
Replacement Value: What it would cost to replace a vessel with a new ship of an equivalent specification.

Q What is VV@?
A A ship mapping service for the world’s deepsea fleet using both satellite and terrestrial AIS data feeds. It also includes Zone Alerts and our Port Distance Calculator working out ETAs or required speed for specific routes.

Q What is different about VV@ from other mapping services?
A We have a unique method of searching, sorting, grouping and saving ship mapping data which interacts seamlessly with the VesselsValue.com database (ownership and specifications). There is no limit to the number of ships that may be mapped and analysed. It is faster, easier to use and clearer than other similiar services.

Q What is VVQ Bespoke Consultancy?
A Customisable analytics, reports and tools for a deeper view on the market.

Q Are there more products in the pipeline?
A Yes - specialised ships and offshore. VV@ will be analysing the world trade and looking into voyage movements down to cargos carried and berths and jetties landed at and discharged at. The launch for the cargo side of VV@ is scheduled within 2015. We have no limits for new ideas. Our only rule is that they must be shipping related.

Technology

Q How is the data stored?
A In secure SQL databases allowing for speed and redundancy.

Q What programming languages are used for the site?
FAQ’s continued

On the server side the vast majority of calculations are written in PHP. The client side is viewed through a browser and written in HTML and JAVA Script.

What is the security of the site and how are personal accounts protected?

No personal or financial information is displayed on the site. Accounts are password protected and secured by industry best practices.

Where is the data stored?

Off site at 2 of the top UK based data centres used by the major corporations and price comparison websites.

How is the continuity of the service protected against technological issues on the server side?

All data is mirrored across three separate UK based servers.

What browsers is VesselsValue.com compatible with?

Functionality of the site is compatible with all major browsers with more modern browsers having additional functionality. Internet Explorer, Chrome, Firefox, Safari, etc. Only the old Internet Explorer 6 (2001) is not recommended from a functionality and security perspective. It can be viewed in IE6 but not even Microsoft will support this.

What mobile devices is VesselsValue.com compatible with?

Works well on an iPad, iPhone, Blackberry, Android and Windows based devices.

How long does it take to load a valuation screen?

Speed is solely a function of the users. Less than 2 seconds, but depends on internet connection. Standard broadband users should expect it to take less than 1 second.

What technical support is available?

Full technical support of the application is on hand 24/7.

Administration

What is the privacy policy?

VesselsValue.com takes very seriously the commercial sensitivity surrounding the use of its service and undertakes all reasonable steps to ensure confidentiality of the data and activities on the website. Please see our privacy policy for full details on this subject.

What is the security policy?

VesselsValue.com takes any reasonable steps to protect the personal information provided via the Website from loss, misuse and unauthorised access, disclosure, alteration, or destruction. However, no Internet or e-mail transmission can ever be fully secure or error free. Special care should be taken in deciding what information you send via e-mail.

VesselsValue.com works to protect the security of any credit card information during transmission over the Internet by using Secure Socket Layering (SSL) to encrypt credit card numbers. VesselsValue.com will use credit card information only to process payment and will not share credit card information with third parties. The majority of our subscribers pay via bank transfer.

What are the terms and conditions (T’s & C’s) of using the site?

Please see our terms and conditions at www.vesselsvalue.com.

What types of payments can we accept and how can customers pay?

We accept BACS, CHAPS, credit card, debit card, cash and cheque in GBP, USD or Euros. Payment can be made online through WorldPay, taken over the phone, by post, through internet banking or in person.

What is the payment process?

Invoices will be generated and sent on the day of subscription and are to be paid within 14 days of receipt.

What is the renewal process?

Subscriptions are renewed annually and we will contact users 2 months before expiry to setup the payment. To date we have a 95% renewal rate.

How much does a subscription cost?

Individual, company-wide and bespoke packages are available upon request.