

Dear Customer:

Before going on vacation the end of this week I thought I'll send one more email advising you of the various issues. However, before covering industry wide issues I take pleasure in advising that the new Seajet website has almost been completed and has replaced our old, somewhat outdated one. Please take a minute and visit us at www.seajet.com and take a tour. You can now access most of our agent information under "Network", view news including a collection of the archived Seajet Shipping News. However the most exciting news to most of you will be our new web based tracking system. It has not been entirely completed yet but we are about 4 weeks from completion. Once this has happened you will be able to track your shipments by our reference number, container number, your PO# and other search criteria. Once this has been finalized I will notify you and we will provide you with a user i.d. and password.

Re: Fuel Surcharge

As you are probably all aware of, oil and as a result fuel prices continue to climb and ocean carriers, air carriers as well as truckers keep raising their respective fuel surcharges to keep pace with the increased cost. Airlines and truckers have all their own surcharges but the average is now 15% for inland freight and about US\$ 0.50 - 060/kg for airfreight.

Re: Ocean BAF = Bunker Adjustment Factor = Fuel Surcharge from the Far East under TSA (Trans-Pacific-Stabilization Agreement)

Effective July 1, 2005 the BAF will go up as follows:

US\$ 310/20' (+105) - 410/40' (+135) - 460/40'HQ (+150) - 520/45' (+175) and 3 w/m (+3)

Re: Ocean BAF from Europe under TACA

Unchanged as of May 16, 2005 (see Seajet Shipping News dated May 27) and valid until at least July 15, 2005.

Re: Far East Peak Season Surcharge under TSA

As earlier announced the Peak Season Surcharge became effective on June 15 and is as follows:

US\$ 300/20' - 400/40' - 450/40'HQ - 510/45 and 8 w/m.

Re: GRI from Northern Europe (TACA)

TACA has announced a GRI effective July 1 of US\$ 240/20' and 300/40'. However, as is to be expected from TACA 2 days prior to the effective date, no specifics have been announced. Overall I would be surprised if increases this high could be pushed through. As soon as we know anything specific we shall report on it accordingly.

Re: Port of Vancouver

After accumulating huge backlogs and diverting vessels last year due to rail problems, Vancouver is now facing a strike with its truckers crippling the port again this year just as the peak season got on the way. In the past we have stayed away from the Canadian gateway as an alternative to shipping from the Far East into the US and will continue to do so based on the latest news from Vancouver.

Re: General Outlook

Business for ocean carriers remains very good on the Trans-Atlantic as well as on the Trans-pacific trades. Larger vessels have now entered the trade (on the Pacific) and

will continue to do so. This may eventually be the start of a downturn in rates however it will depend on what the equipment situation will be. A few years back, vessel operators had plenty of space aboard their ships, however had to turn down bookings due to lack of equipment as a result of the imbalance of cargo flows. This situation has not improved. All water services are all overbooked as many importers have chosen the All Water route in fear of a repeat performance of West Coast ports and the railroads last year. So far we have been fairly lucky in securing All Water space but it would be helpful if you could ask your suppliers to make cargo/container bookings as much in advance as possible. West Coast ports as well as rail carriers continue to say that they do not foresee any delays as seen last year. It will remain to be seen as we have continued to see delays even before the peak season even started.

As always we would like to thank you for your kind support and pledge to inform you as good as possible and keep your freight moving.

Have a good summer.

Best regards
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