DAILY COLLECTION OF MARITIME PRESS CLIPPINGS 2015 – 049

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News reports received from readers and Internet News articles copied from various news sites.

The tug / pilot cutter NAINAWA off Al Faw (Iraq)
Photo : Capt. Radbout Polee – Master Sea Charlie ©

EVENTS, INCIDENTS & OPERATIONS

Ferrymar's **HSS DISCOVERY** awaiting her faith at "Caracas baai" Curacao **Photo : Niels Swartjes ©**

Chinese ship captain to face court in Australia for traveling without pilot boat

The captain of a Chinese coal ship is set to face court in Newcastle, Australia, on Monday, after being arrested for sailing through the Great Barrier Reef without a pilot ship. The man, believed to be a Taiwanese national surnamed Lu, will plead guilty to being the master of a ship without a pilot in a marine park, an offense that carries a maximum fine of nearly 66, 000 US dollars.The ship, a 288-meter-long bulk carrier named **China Steel Developer,** is alleged to have to have sailed through Hydrographers Passage without a pilot boat, something which is required under Australian law for a ship to move through the route. Around 4,000 ships traverse the paths through the Great Barrier Reef marine park every year. **Source : global times**

Wightlink bought by Balfour Beatty Infrastructure Partners

WIGHTLINK has been bought by infrastructure investment giant, Balfour Beatty Infrastructure Partners (BBIP) for an undisclosed sum. The purchase from the ferry firm's current owners, Macquarie European Infrastructure Fund (MEIF) was announced Monday Chief executive of Wightlink, Russel Kew, its chief operating officer, John Burrows, and their management team remain in charge of the company. There will be no changes to staffing, prices, routes or schedules as a result of the change of ownership.Balfour Beatty Infrastructure Partners' Steven Lowry, said: "Wightlink is a strong and stable company with the opportunity to grow and develop in the years to come."We are delighted to be the new owners of the largest cross-Solent ferry operator and are committed to investing in the business, and supporting the management team's focus on safety and improving customer service."Mr Kew added: "Wightlink has a strong and secure future with its new shareholders, which is good news for the company, our customers and staff. We look forward to working with BBIP to grow the business in years to come." The news has come on the same day Balfour Beatty announced with was selling 80 per cent of its stake in an offshore wind project in Thanet.The Guardian reported the deal, with infrastructure investment fund Equitix, would release £40m to Balfour Beatty. Wightlink said however that Balfour Beatty and Balfour Beatty Infrastructure Partners were separate companies. Isle of Wight MP Andrew Turner told the Isle of Wight County Press he would seek an urgent early meeting with Wightlink's new owners to get assurances about what kind of service they were planning and any proposed new fare structure.He said: "This sort of business has no track record of operating a public transport service so I have concerns about that. If they are not changing the structure of Wightlink's debt or changing its fare structure, it is hard to see how the Island will benefit in the short or long term."We were told Macquarie were in it for the long term but it turned out to be ten years."We have now got the infrastructure task force for the Island and we will have to get them to look into this." *Mick Tosh, Wessex regional organiser for the National Union of Rail, Maritime and Transport Workers (RMT) said unions would want a meeting with Wightlink's new owners to discuss any job implications for staff the sale could have. He said: "We will make a formal approach to sit down with the new directors and seek assuraces about future employment and investment and see what they are going to do." Source : Island of Wight County Press Online

The CMA CGM LOIRE and CMA CGM URAL: two new vessels to enter the CMA CGM fleet

The **CMA CGM Group** is pleased to announce that the **CMA CGM LOIRE** and the **CMA CGM URAL** were delivered on February 5th, and entered the fleet on February 13th and 14th. Those are the 5th and 6th vessels of the 9,400 TEUs to 10,900 TEUs series that will be delivered from now to the third quarter of 2016. The **CMA CGM DANUBE, CMA CGM ELBE, CMA CGM LITANI** and **CMA CGM TIGRIS** are the first of this series of 28 vessels named after famous rivers of the world, that started to be delivered on June, 30th 2014.cmacgm-loireSailing under the Malta flag and chartered vessels, the **CMA CGM LOIRE** and **CMA CGM URAL** were respectively built in the

Chinese shipyards DSIC (Dalian, PRC) and NTS (New Times Shipbuildings, Jiangsu Province, People's Republic of China).

The **CMA CGM LOIRE** has a nominal capacity of 9,365 TEUs and the CMA CGM URAL a 10,622 TEUs capacity 300m in length and 48m in width, they were designed to offer a maximal loading capacity while respecting the technical constraints of the Bosphorus Strait. With a capacity of 1458 reefer plugs 40', which is the largest so far on such a ship, the vessels of this series embody the Group's ambition to be a leader in this growing market. The vessels will be positioned on two of the Group's emblematic lines:

☐Since February 13th, The **CMA CGM LOIRE** has been positioned on the « Bosphorus Express » (BEX), where the **CMA CGM DANUBE, CMA CGM ELBE** and **CMA CGM LITANI** have already been placed. She will call Dalian, Tianjin, Kwangyang, Busan, Shanghai, Ningbo, Chiwan, Yantian, Tanjung Pelepas, Izmit, Istambul Ambarli, Constanza, Odessa, Ilyichevsk, Port Said, Port Kelang, Singapore, and Dalian.
On February 14th, the **CMA CGM URAL** joined the Mediterranean Club Express (MEX). She will call Shanghai, Ningbao, Yantian, Chiwan, Port Kelang, Malta, Valencia, Barcelona, Fos sur Mer, Malta, Salalah, Port Kelang, Xiamen, and Shanghai.
In line with the sustainable development policy of the Group, the **CMA CGM LOIRE** and **CMA CGM URAL** are equipped with all the latest environmental technologies which significantly reduce its C02 emissions, as well as the Group's carbon footprint. More particularly, it is equipped with new bulbous bow shapes improving the hydrodynamics of the vessel at a speed of 16 to 18 knots. As well as:
– An electronically controlled long stroke engine with an exhaust gas bypass system offering the best in fuel consumption
– A twisted leading edge rudder with bulb
– A ballast water treatment system.
Source : CMA-CGM

Luxury ships and Asian destinations: cruise trends for 2015

An estimated 23 million people will go on a cruise in 2015, a new industry record. This forecast, set by the Cruise Lines International Association (CLIA), reflects the continued growth seen in the cruise market in recent years. Vacations at sea are as appealing as ever, and after their first taste, most passengers tend to return for more.

After HAL's VOLENDAM departed Monday evening, on Tuesday morning early the ROTTERDAM arrived from Europe at the **Keppel Bay cruise terminal** for 1 day stop over before heading for an 14 days cruise in the Indonesian archipel before returning to Singapore and heading back to Europe - **Photo : Piet Sinke (c)** **CLICK on the photo !**

In fact, 62% of cruise-goers have been on more than one cruise. Among the reasons for their return, they list the quality of the services and activities offered on-board, the opportunity to visit multiple destinations on a single trip, the appeal of theme cruises, and the affordability of all-inclusive packages, which 69% of cruise-goers feel offer better value-for-money than vacations on land. In recent years, the industry has seen the emergence of seafaring giants such as Royal Caribbean's **Allure of the Seas,** which has room for 5,000 guests and a bumper car arena, among other extravagant amenities. But in opposition to this trend, an increasing number of clients are seeking out more intimate, exclusive cruise packages that emphasise unique experiences. Confirming this trend is the growth in the number of luxury yachts, small designer ships and expedition boats venturing off the beaten tourist path. This segment saw a 21% rise in the number of cruises offered from 2009 to 2014, according to the CLIA.

The **SEABOURN QUEST** in Cuverville Antarctica **photo : Daniel Nikolov - Seabourn Quest ©**

Moreover, the cruise industry is also diversifying in terms of the destinations served. While the market is still dominated by Caribbean cruises, which will account for an estimated one third of the industry by capacity in 2015, Asia is rapidly emerging as another key region. This year, Asian ports are expected to host around 2.17 million passengers, and 52 ships will sail around the coasts of the continent. Destinations in Australia and the Mediterranean are also on the rise.Finally, whether it's a generational issue or a desire for first-hand guidance, cruise-goers seem reluctant to enter the digital era. While online and mobile reservations have become standard in the tourism sector overall, 70% of cruise passengers still book their trips directly through a travel agent. **Source: AFP/Relaxnews, themalaysianinsider**

see also : https://www.youtube.com/watch?v=1R4Hb0S7Ikc#t=101

The Netherlands' main offshore port gets the go-ahead for the construction of Kooypunt III during a well-attended port stakeholders' meeting

In presence of approximately 150 attendees, the official go-ahead for the construction of a new part of the Kooypunt industrial estate was given during the port stakeholders' meeting of Port of Den Helder (PODH) and the Harbour and Shipping Association (Haven- en Scheepvaart Vereniging/HSV). This new development is known as Kooypunt III. At approximately 3pm, Pieter Kos, the Municipal Alderman of Den Helder, resolutely pressed the button to start a video in which various stakeholders explained the importance of the port and its continuing development.

The port stakeholders' meeting was an informative meeting for all parties associated with the port and the area around the port and took place at the site of recycling company Bek en Verburg, the first company that will officially move to the Kooypunt III estate. Bek en Verburg specialises in efficient and time-saving methods for removing and disposing of maritime waste in accordance with national and international legislation.

In addition to a presentation given by Bek en Verburg, Wintershall, the fourth largest operator of gas production platform on the Dutch continental shelf, also gave a company presentation and looked back on the past year. In addition, Wintershall shared its views on the future opportunities open to Port of Den Helder.

Kooypunt Business Estate

Kooypunt III will operate as a service hub. It is an industrial estate that focuses on companies which are not directly dependent on the port itself, but which provide services for the port-based offshore-related businesses. Kooypunt III is part of the Kooypunt business estate. Due to its proximity to the maritime port and Den Helder Airport, Kooypunt is an excellent location for offshore-related businesses.

The development area is part of NV Port of Den Helder. This company lets, develops, coordinates and facilitates business areas in the maritime port, both on and behind the waterfront, and on business estates. In close collaboration with the Municipalities, the Royal Netherlands Navy, research institutes and education institutes, opportunities are offered for doing business, learning and working in the offshore industry. Den Helder is home to the main offshore port in the southern part of the North Sea. Together with the nearby airport, the port supports the activities of approximately 140 gas, oil and service platforms. With 23,000 flight movements each year, the airport is an important partner for the port.

Director Piet-Hein Kolff: "There is growing demand for plots of land among companies that wish to set up in business in Den Helder. This is partly attributable to the increasing number of offshore and maritime businesses that are interested in Den Helder and partly attributable to growth in the port's activities. So the planned expansion in the form of the Kooypunt III business estate is an essential step. This is an official go-ahead for creating space for development. More than 25 hectares of business estate are available for companies that want quality, accessibility, close collaboration and healthy competition."

Sail 2017

The port stakeholders' meeting concluded with a presentation made by the Sail 2017 Foundation. The chairman, Vice-Admiral (retired) Jan van der Burg, enthusiastically explained how Den Helder intended to arrange hospitality for the most talked-about nautical event of the year. The foundation hopes to achieve the same level of success as the 2013 event. In 2013, Sail Den Helder and the Navy Days (Marinedagen) together attracted 330,000 visitors according to the organisation's figures. Sail 2017 will again be combined with the Navy Days.

The Lyttelton Port Company owned tug **Purau** helping to berth a tanker at the ports oil wharf.
Photo : Alan Calvert ©

Keppel FELS Holds Naming Ceremony for Newbuild Jackup Maersk Integrator

eppel Corporation Limited announced Saturday that Keppel FELS Limited (Keppel FELS) has delivered the ultra-harsh jackup, **Maersk Integrator (**492' ILC), to Maersk Drilling, a wholly owned subsidiary of A.P. Moller - Maersk A/S, thirty days ahead of schedule, on budget and with a perfect safety record. The rig was named at a ceremony in Keppel FELS by Ms Margareth Ovrum, executive vice president, Technology, Projects and Drilling, Statoil.

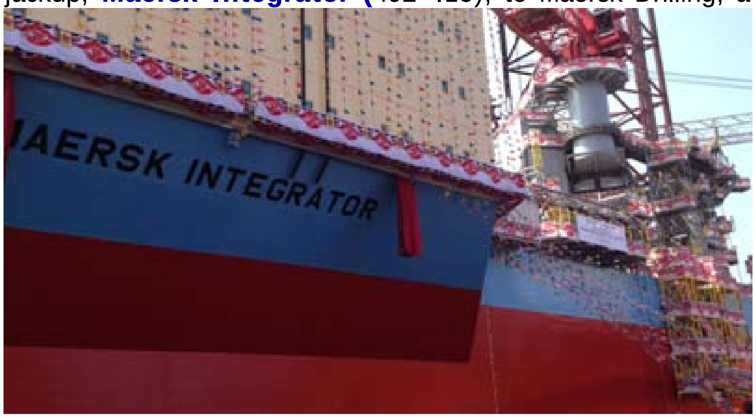


Photo : Roald kaper ©

Maersk Integrator is an XL Enhanced (XLE) harsh environment jackup and the third in the XLE series delivered to Maersk Drilling. It has been customized for operations in the North Sea and has been chartered on a four year term by Statoil for development drilling in the Gina Krog field in the Norwegian sector of the North Sea.Chow Yew Yuen, CEO of **Keppel Offshore & Marine** said, "This is the world's largest rig and the third one in the series we have delivered to **Maersk Drilling.** Our achievement in delivering it so far ahead of schedule is a result of our execution excellence, good teamwork with **Maersk Drilling** and process improvements over three repeat projects. We have developed a strong partnership with **Maersk Drilling,** having built eight jackups and four semisubmersibles for them over the years."Collaborations between Keppel and **Maersk Drilling** span some 30 years and include the design, engineering, repair and construction of a variety of rigs and ships.Claus V. Hemmingsen, CEO of Maersk Drilling and member of the Executive Board in the Maersk Group, said, "With Maersk Integrator, we now have three of the world's largest, ultra-harsh environment jackups which enables us to offer a suite of strong solutions to the Norwegian jackup market. The XLE rigs we have in operation now are performing very well; **Maersk Intrepid** (492' ILC) at the Martin Linge field for Total Norway and **Maersk Interceptor** (492' ILC) at Ivar Aasen for Det norske oljeselskap ASA. The early delivery and good performance of Keppel FELS is one of the reasons why we continually partner with Keppel. They have been able to consistently provide value-added services while delivering products of the highest technical abilities to our satisfaction."The XLE rig has a leg length of 678 feet (206.8 meters) and is designed for year round operations in the North Sea, in water depths up to 492 feet (150 meters). **Source : rigzone**

The **BAY PHOENIX** departing from Montevideo – **Photo : Willem Kappert – MV ZAANDAM ©**

Greenland Research Vessel

With a growing seafood sector, an extensive coastline and some 250 different species of fish, Greenland has an intense interest in maritime research and survey for the near coastal waters. To meet this emerging need, Greenland had a fine 32.3-meter research vessel built at the Karstensen's Shipyard in Skagen, Denmark. The vessel was named **R/V Sanna** by Helle Siegstad, Head of the Department of Fish and Shellfish, in a ceremony at Nuuk, Greenland in April of 2012.
The **R/V Sanna** then went into service with the Greenland Institute of Natural Resources researching the Greenland halibut, crab, and cod stocks in Greenland's coastal waters and ice fjords. A larger vessel, the 1971-built stern trawler **Pâmiut** serves primarily to research shrimp and Greenland halibut in more open waters. The **R/V Sanna**, with a 10-meter beam and depth from main deck of 4.88 meters, is, under the command of Captain Rink Heinrich, capable of a wide range of research. The vessel is equipped for trawling, gillnets, long lines and pot fishing. Researchers have two wet and one dry laboratory with fume-hood, a chemical laboratory, cold and freezer laboratory and a -80 Celsius freezer. Designed by OSK-Shiptech in collaboration with the scientists from Greenland, the ship has accommodation for 16 people in a total of nine cabins. A Cummins K38-M Tier 2 engine rated for 1000 HP at 1800 RPM, turning a variable-pitch Hundested propeller, provides main propulsion. Given the northern climate and long winters, the R/V Sanna works the west coast of Greenland only six months of the year. Between her launch and February 2015 she has put 7371 hours on her Cummins main without any problems. To meet the extensive electronic needs of multiple winches, bow thruster as well as laboratories and navigational equipment the R/V Sanna has a pair of Cummins QSM11D-powered generators to provide 220 kW of power. Given her quality build and strong service support by the Esbjerg branch of Granly Diesel A/S the research vessel can be expected to continue and an important asset to arctic fisheries research for many years to come. **Photos courtesy of Greenland Institute of Natural Resources**

RF Duma suggests increasing amount of fines for oil spills

The amount of fine for oil spills should be multiplied, IAA PortNews journalist cites Duma Deputy Oleg Lebedev as saying in Murmansk at the 'round table' meeting dedicated to eco-risks associated with handling of crude and oil products.According to him, there is a number of gaps in the legislation when it comes to toughening of hazardous production facility's standards and environmental insurance requirements. "Environmental damage caused by oil spills should not be close to oil product production profit, - Oleg Lebedev said. - The fines should be as high as tens millions of rubles."

According to Vyacheslav Popov, Chairman of Murmansk Duma, the following issues should be legally regulated: compulsory insurance of eco-risks by oil producing and refining companies operating in the Arctic area of Russia, determination of zones free of oil & gas activities in the Barents and White Sea, taking into consideration of findings when evaluating of oil spill impact on the environment.As Natalya Leshchinskaya, Chairman of the Murmansk Duma Environmental Committee, said at the meeting, recommendations based on the discussion results will be given to the authorities and the companies which can loose their licenses and authorizations to work if they fail to prove their ability to prevent incidents.

Director General of ECOSPAS JV Andrei Aprelenko said: "Though oil producers try to minimize risks, the numbers tell the stories best. Last year, our company participated in 25 oil spill response operations. I hope this meeting will give an impetus to legislation improvement and will enhance the level of companies' preparedness. A comprehensive approach is required with the priority given to everything: equipment, personnel, financial and professional resources. I would not say everything is at a zero level but there are enough problems, especially in the Arctic. Globally, there is no enough experience of operation under such conditions so far". **Source : Portnews**

15-02-2015 : 2014 built bulker **ATLANTIC RAINBOW** inbound to Vancouver harbour **photo : Robert Etchell ©**

The "SANKO MINERAL" Claim In Rem Issued Following A Court Order To Sell Vessel Held To Be Valid

A party with a statutory right to an admiralty claim in rem, which had issued its claim after the Admiralty court had ordered the sale of a vessel, did not lose its right to enforce the claim1. The claim in rem could be enforced against the sale proceeds provided that the person liable in personam was the beneficial owner of the sale proceeds.

Facts

The Defendant, Sanko Mineral (Sanko), owner of the MV "**SANKO MINERAL**" applied for the strike out or withdrawal of a caution against release of the sale proceeds of the Vessel, which had been requested by Glencore, and for payment out of the same proceeds of sale.The Vessel was the subject of various attachments, in Baltimore, by Sanko's creditors , and was thus delayed on her voyage from Bulgaria to New Orleans, whilst carrying Glencore's cargo. On 7 May 2012, while the Vessel was delayed, Glencore commenced a claim in the local court for breach of contract of carriage. It was Glencore's position that, as a consequence, it obtained a maritime lien over the Vessel. Pursuant to the charterparty, any claim would be deemed to be absolutely disbarred unless made to an arbitrator within 12 months of cargo discharge. Such claim was never made. The Vessel was released from its attachments on 2 August 2012, having been delayed by almost four months.Meanwhile, Sanko petitioned in Tokyo for the commencement of insolvency proceedings and, thereafter, entered into reorganisation proceedings on 23 July 2012. The English court recognised those proceedings as the main foreign proceedings under the Cross-Border Insolvency Regulations 2006. Glencore subsequently submitted two claims in those proceedings which were rejected by Sanko's Trustee. Glencore petitioned against that decision, and these petitions remained outstanding at the time of this hearing.

A reorganisation plan was approved on 17 October 2013, under which the Trustee was to sell Sanko's vessels, and the proceeds of sale were then to be paid in satisfaction of the secured reorganisation claims. Glencore's claims were, at the time of the hearing, still pending, and as such Glencore had not yet accrued a right to be paid out of the proceeds of sale.In 2014, the Bank of Tokyo-Mitsubishi UFJ Ltd (the Bank), which held a mortgage on the Vessel, issued an in rem claim in the English Admiralty court, and the Vessel was arrested in May 2014. The Bank subsequently obtained judgment on its claim, and the sale of the Vessel was advertised. Glencore maintained that its alleged maritime lien, or its statutory lien in Japanese law, took priority over the Bank's mortgage. On 22 August 2014, it applied to commence an in rem claim against the Vessel, and requested the issue of a caution against the release of the proceeds of sale. The Trustee subsequently applied to have the caution struck out, or withdrawn, on the grounds that (i) Glencore had not commenced an arbitration within 12 months of discharge, and (ii) as Glencore had not issued an in rem claim form before the Vessel had been sold, it was no longer able to enforce its claim in rem pursuant to the Senior Courts Act 1981 s.21(4), which required that when the action was brought, the person liable in personam had to be the beneficial owner of the vessel.

Decision

The time bar issue

The court held that there was no doubt that in English law Glencore's claim was barred. However, the court decided that it would not be appropriate to determine the question of whether Glencore could advance its claim in Tokyo notwithstanding its failure to have commenced arbitration. That was found to be a matter for the Tokyo court.

The in rem claim issue

It was accepted that the English court would recognise and give effect to a judgment in the Tokyo court, pursuant to either the principles governing the recognition of insolvency proceedings, or the provisions of the Cross-Border insolvency Regulations, or the ordinary English rules of private international law.

However, there remained the question of whether Glencore's was a claim in rem. On that question, the court found that it was not an in rem claim within the meaning of the order for the sale of the Vessel.

The court, therefore, had to consider whether a claimant with a statutory right of action in rem may enforce that claim against the proceeds of sale of the Vessel, notwithstanding that the Vessel had been sold by order of the Admiralty court, and no action in rem had been commenced before the sale. The court had regard to the established principle that when a vessel is sold by the Admiralty Court, rights in rem are transferred to the proceeds of sale. By contrast, where a vessel is sold by an individual, a maritime lien can be enforced against the vessel in the hands of the new owner. The court noted that the operation of s. 21 of the Senior Courts Act 1981 (SCA) must be understood in this context.

On considering the relevant principles, the court held that where the person liable in personam is the beneficial owner of the proceeds of sale he is to be regarded as the beneficial owner of the vessel for the purposes of section 21(4) SCA. That conclusion was reached because of: The long established principle of Admiralty law that when a vessel was sold by the Admiralty Court, rights in rem were transferred to the sale proceeds

The reflection of that principle in CPR r.61.10(2)(a) concerning notices of sale by the court, and in PD 61 para.3.6(3) which provided that a claim was not served on the vessel but was to be filed at court

The fact that orders pursuant to CPR 61.10(2)(a) were intended to protect, not harm, the interests of those with rights in rem; and

The need to interpret the court's order pursuant to CPR 61.10(2)(a) in a manner that was not misleading

Therefore, it was found that Glencore had not lost its statutory right of action in rem, although in light of the Court's finding on the arbitration point, Glencore's claim for breach of the contract of carriage was absolutely barred.

Payment out

Ordinarily, the court's findings would lead to an order for payment out to the Trustee. However, as Teare J noted, the reorganisation in Tokyo had been recognised as the foreign main proceeding, and the court did not wish to hinder those proceedings. The court stated that it would only be willing to make payment out on terms that the Trustee kept the proceeds of sale in a separate account and held them to the order of the Tokyo court. **Source: Clyde & Co**

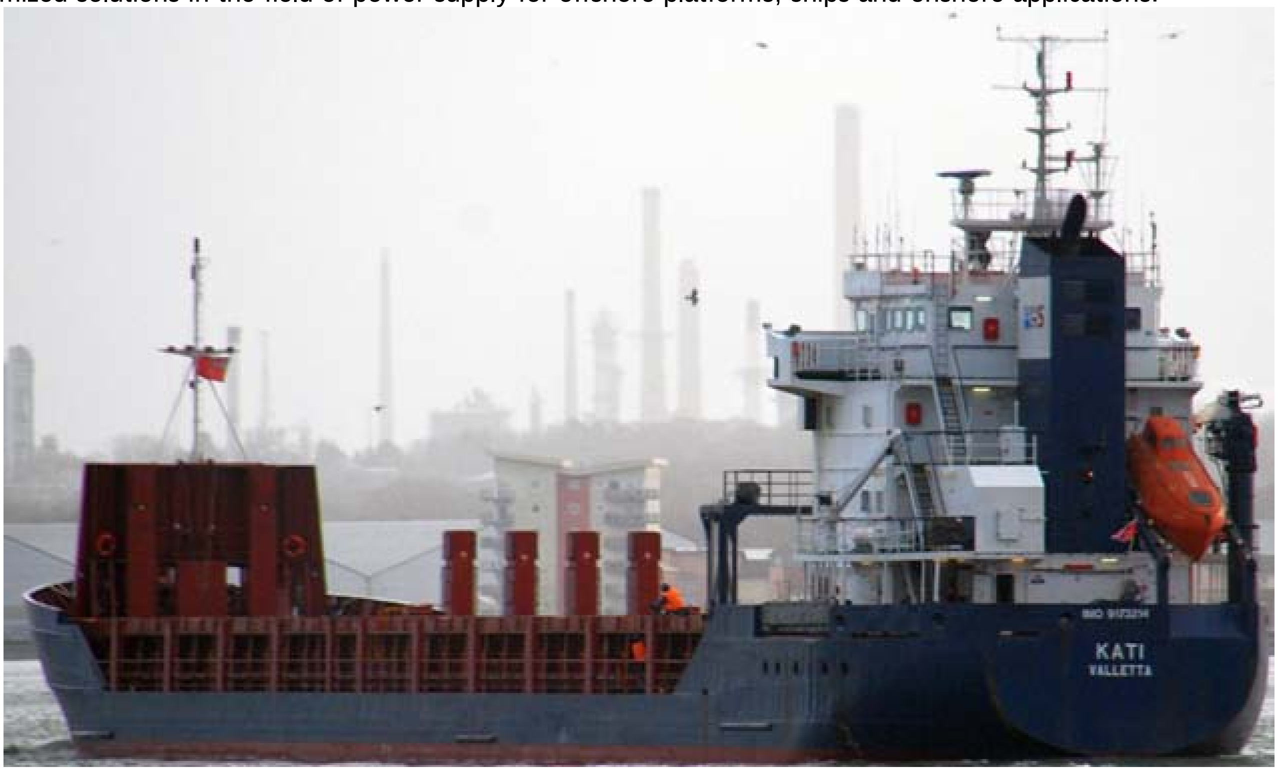
Bureau Veritas wins innovative Canadian gas fuel contracts

Leading international classification society Bureau Veritas is to class two innovative projects for gas-fuelled vessels to be built for Canadian owners in Turkish shipyards. British Columbia-based Seaspan Ferries has chosen BV class for two hybrid LNG/diesel/battery-powered ro-ro cargo ferries which will be built at the Sedef yard in Turkey. Quebec-based Transport Desgagnes, meanwhile, has chosen BV class for two 14,000 dwt gas-fuelled asphalt/product tankers to be built at Besiktas.Philippe Donche-Gay, Executive Vice-President and Managing Director of the Marine & Offshore Division, Bureau Veritas, says, “BV really knows LNG. We have extensive experience of handling LNG and using LNG as a fuel with our gas carrier fleet. Our ability to deploy that expertise for the benefit of shipyards and owners who are both breaking new ground was crucial to these owners entrusting BV with the classification of these vessels.” The 148.9 m Seaspan ferries are due for delivery in 2016 and will operate on Canada’s west coast, carrying up to 59 trailers at speeds of up to 16 knots propelled by azimuthing drives. Twin dual-fuel W9L 34DF generators will be able to burn LNG from one single 200 cbm Type C tank below the main deck and there will be a hybrid battery pack power supply for generating zero emissions energy at quay or during manoeuvring and for any low-load operation. The Transport Desgagnes tankers will have two 300 cbm Type C LNG tanks on the deck powering the dual-fuel ME 5RT Flex 50 DF main engine and two 6L20DF engines and one 8L20DF auxiliary engine and two 3000 kW boilers. Donche-Gay says, “Now that IMO has updated and adopted the IGF Code, the regulatory worries which were holding back owners have been removed and there are a host of new gas fuel projects about to start as owners take advantage of this clean and economical fuel. BV’s expertise in risk assessment complements its experience with gas carriers, which is why we are the class of choice for innovative gas fuel projects. We are currently engaged in gas fuel conversion or newbuilding projects involving chemical tankers, small-scale LNG tankers, LNG bunker tankers, cargo and passenger ferries, product tankers and tugs, and we expect to announce more in the near future.”

17-02-2015 : **JBU SAPPHIRE** IMO 9412725, 2009/11561gt in to Melbourne off Portsea
Photo : Andrew Mackinnon – www.aquamanships.com ©

DBR’s gensets ready for offshore action in hazardous areas

As well as standard and custom made generator sets for the maritime and offshore markets, DBR is also specialized in manufacturing ATEX-95 Zone 2 systems. Requiring significant modifications compared to the standard systems, these generator sets deliver a safe and efficient power supply to the offshore Oil & Gas industry.“We can supply ATEX-95 Zone 2 gensets with a power range between 50 and 2,000kVA,” comments DBR Managing Director Herwin Roodenburg. “These gensets are manufactured according to the latest regulations required in hazardous offshore areas.” In order to gain ATEX certification, DBR performs several modifications to reduce the risk of an explosion. “To ensure a spark-free atmosphere and to keep all surfaces below 200°C, we use water-cooled turbochargers and water-cooled exhaust manifolds. Also, anti-sparking fans are used to cool the engine,” explains Mr Roodenburg. “To reduce the exhaust temperature to below 200°C we use an additional head exchanger with a spark arrestor and a flame screen.” The electrical aspects of the generator set also have to be adapted: “To create a spark-free environment, we use a marine certified control panel in an explosion proof enclosure,” continues Mr Roodenburg. “We install flame traps and gas detection sensors on the air inlets as well as using ATEX-certified alternators and starter motors.”Such extensive modifications do take up more space than standard generator sets however. “We have been manufacturing Zone 2 certified generator sets for over 20 years now – so we have a lot of experience in keeping the footprint down to a minimum,” he says. In fact, DBR can install all of its ATEX-95 Zone 2 certified generator sets in DNV 2.7-1 offshore frames. “This is crucial to our Offshore customers.”“As safety issues become more pertinent, the market is responding by demanding more and more Zone 2 certified generator sets,” concludes Mr Roodenburg. “We are seeing significant growth in the South-East Asian market in particular.” Based in Sliedrecht, the Netherlands, DBR provides customized solutions in the field of power supply for offshore platforms, ships and onshore applications.



9/1/2015 **KATI** Imo 9173214 seen outbound from Southampton, built 1998 3,454grt Managed by Hansa Ship
Photo : Iain Forsyth ©

Ship owners turn to VLCC newbuilding ordering

The attractiveness of the tanker market is difficult to be ignored at the moment, with spot VLCC earnings averaging more than $50,000/day during the fourth quarter of 2014 and $70,00/day for the year to date. As such, it was only a matter of time before ship owners turned to shipyards to book more VLCC berthing slots. According to the latest report from shipbroker Gibson, during January there were 12 VLCC newbuilding orders placed, causing the VLCC orderbook to surpass the 100 vessel mark, to reach 101 ships on order, representing 16% of the existing fleet.According to the London-based shipbroker, “in our September 2014 report on VLCC ordering we emphasised the strong correlation between spot market earnings and contracting in recent years. On one hand it was therefore surprising to see no contracting reported in December as earnings hit a 6.5 year high; although on the other hand, one felt investor confidence might have been dented by an already sizeable orderbook. This may well have proved the case initially at least, however even higher earnings in January appear to have focused minds with 12 VLCCs contracted in a single month, versus 38 for the whole of 2013″, Gibson noted.

The shipbroker added that "whilst current spot market earnings might have provided the confidence to pull the trigger on orders today, one of course must look further afield to determine if the scale of current ordering is justified. As we move forward in a low oil price environment there are both upside and downside risks which when played out, will provide the answer. In terms of the upside, a persistently lower oil price will discourage investment in higher cost projects, such as deepwater, shale and oil sands, which in turn could support demand for US crude imports and Middle East crude exports. However, the downside risk of stronger US crude import demand is less barrels available in the Atlantic Basin for export to the East. Furthermore the addition of 800,000 b/d of refining capacity in the Middle East and Red Sea this year will see more crudes processed domestically at the expense of international exports. In 2017/18, the 400,000 b/d Jazan refinery is expected to come online. Beyond this, as refining capacity in the Middle East stabilises, VLCCs will once again be supported by further growth in crude exports, driven by incremental increases in global oil demand. Perhaps with a long term view, the new wave of orderscan be justified", said Gibson. It went to note though, that "however, one might argue that the sector is nea ring the risk of overinvestment. It seems certain that more VLCCs will be ordered this year and as we reported last week, scrapping activity and FPSO conversions are expected to be lower at the same time. If earnings soften as expected into the second half of the year, we would expect to see contracting decline – if the correlation between spot market earnings and contracting holds true. However the potential for floating storage rema ins a wildcard which could prompt a repetition of the investment seen in 2010″, Gibson concluded.Meanwhile, in the Middle East crude tanker market this week, it was a "party week for many industry players, but that left the VLCC market atmosphere a little flat. February stems have now been almost fixed out, and most charterers took the opportunity to postpone their March interest until final programmes are finalised from early next week. Rates softened slightly into the high ws 50's to the East, and to under ws 35 to the West via Cape .The trend may continue, but the upcoming Chinese new year provides Owners some hope, at least, that a pre -festivity busy patch could develop. Suezmaxes held a reasonably steady line on early tightness, but the market is moving forward onto better tonnaged positions now, and the current rates of 130,000 by ws 90 East and ws 50 West could become increasingly challenged.Aframaxes found some support to an otherwise softening trend from Red Sea lifting's, but that merely kept the rates to Singapore pegged at 80,000 by ws 115, with aa renewedd threat to the downside for next week", Gibson noted. **Source : Nikos Roussanoglou, Hellenic Shipping News Worldwide**

ClassNK and the Maritime and Port Authority of Singapore sign MOU

Leading classification society ClassNK and the Maritime and Port Authority of Singapore (MPA) signed a memorandum of understanding (MOU) on 13 February to promote research and development (R&D) and innovation in the maritime industry, ClassNK said in its press release.Over the next five years, ClassNK and MPA will join forces to foster maritime thought leadership on technology through conferences and workshops, and carry out joint R&D projects focused on enhancing ship safety and environmental sustainability in four main areas:

Safe ships: Fatigue-related research and evaluation of structural integrity for safe and reliable construction and operations of ships

Smart ships: Data analytics to assist in real-time anomaly detection of machinery, real-time monitoring of emissions and condition-based monitoring of structures for ship and machinery operations

Environmentally-friendly ships: Applied research in emission control and alternative fuel engine technologies to achieve reductions in SOx, NOx, and particulate matter

Marine renewable energy: Research on developing a tropical marine energy test site and tidal energy generation, material biofouling studies, and energy storage systems for shore power supply.

The MOU was signed by Mr. Andrew Tan, MPA Chief Executive, and Mr. Yasushi Nakamura, ClassNK Representative Director, Executive Vice President. "We are happy to partner with ClassNK on this important initiative to jointly develop innovative solutions and tools addressing ship safety, emission control, and marine renewable energy. The signing of this MOU is a reflection of the emphasis we place on innovation and R&D, and signifies a shared vision to make the industry safer, more efficient and greener", said Mr. Tan."Singapore is a world leading maritime nation with one of the world's largest maritime clusters. ClassNK has collaborated with MPA before and through this MOU, we aim to further strengthen our relationship and work towards the shared goal of creating a smarter, safer, greener maritime industry", said Mr. Nakamura.The signing ceremony also marked the opening of the new ClassNK Global Research and Innovation Center (GRIC), ClassNK's first research center outside of Japan. GRIC will carry out research with industry, academia, and government agencies in Singapore and from around the world on various projects such as the development of an Exhaust Gas Cleaning System (EGCS), a feasibility study for a marine renewable energy test site in Singapore, and a pilot scale demonstration for Zero-Emission Desulphurization process for Maritime applications (ZEDSMart). **Source : portnews**

White House sends Labour Secretary to press for west coast dock settlement

US PRESIDENT Barack Obama has ordered US Labour Secretary Tom Perez to California to try to head off a costly shutdown of 29 west coast ports, reports the Los Angeles Times.After nine months of port labour talks, the two sides remain gridlocked over rules on the removal of arbitrators, with the International Longshore and Warehouse Union (ILWU) wanting to sack those whose ruling are displeasing.The Los Angeles and Long Beach ports account for 40 per cent of American containerised imports with US$1 billion in goods moving through daily.

Thirty-two massive ships were anchored outside the ports of Los Angeles and Long Beach, a situation repeated proportionally farther up the coast, unable to unload auto parts, electronics and clothes destined for stores US-wide.
At issue is a new contract for 20,000 dockers at 29 west coast ports with the union and the employers Pacific Maritime Association (PMA) working without one since July.The PMA has accused the ILWU of orchestrating slowdown tactics, which prompted it to stop unloading of ships. On Mr Perez's departure to the west coast, White House deputy press secretary Eric Schultz said: "The negotiations over the functioning of the west coast ports have been taking place for months with the administration urging the parties to resolve their differences. Out of concern for the economic consequences of further delay, the president has directed his Secretary of Labour Tom Perez travel to California to meet with the parties to urge them to resolve their dispute quickly at the bargaining table. Secretary Perez is already in contact with the parties and will keep the president fully updated." Said National Retail Federation vice president Jonathan Gold: "We welcome the administration's attention to this important national and international economic and supply chain issue and hope it recommits the two sides to reaching a deal. The slowdowns, congestion and suspensions at the West Coast ports need to end now." **Source : Schednet**

Buoyant waves in recent years: Global ship investment since the crash

Anxiety about fleet expansion is a recurring feature of world shipping markets. Within the global maritime community, worries about the vast amount of money being committed to investment in new ships intensified last year and have persisted into 2015.During the five years since the market crash of 2008-09, well over $500 billion has been invested in newbuildings, according to some estimates. A strong desire to participate in future world seaborne trade growth and potentially profitable market activity resulted in additional tonnage being ordered, despite continuing over-capacity depressing freight rates in many market sectors. These trends and their rationale are examined in this article, which also looks at aspects of the shipping finance scene.

Money invested: an impressive revival

After the shipping market boom ended in 2008, investors' appetite for new vessels plummeted. At its peak worldwide investment in newbuildings, the contract value of orders placed for new ships, reached a staggering $266 billion in

2007, and was still very high at $178bn in the following year when the market crash occurred in the second-half. The next year, 2009, saw a drastic downturn to only a fraction of that total, $44bn. But, based on figures compiled by Clarkson Research, since then totals have been far larger, within a range of $91bn to $131bn annually, as shown by the chart.

The first astonishing pick up happened during 2010, when players in some sectors began sensing a move towards better-balanced market conditions. Taking advantage of the much lower prices quoted by shipyards, newbuilding orders surged, especially for bulk carriers. In that year the value of contracts placed reached $112bn. Market conditions over the next two years amid a large world shipyard orderbook then prompted second thoughts about prospects. A decline in ordering ensued, to $91bn in 2012. This downturn was enough to sharply reduce the world shipbuilding orderbook to a more manageable level equivalent to 17 percent of the existing (greatly expanded) world fleet, at the end of that year, almost half the percentage seen two years earlier. Renewed optimism about market recovery emerged in 2013, particularly in the bulk carrier sector again, towards year-end. Together with increasing focus on fuel economy amid sustained high bunker fuel prices (resulting in attractive eco-design vessels being offered by shipyards) this prompted another resurgence in newbuilding orders which jumped to $131bn. While some of that upturn can be attributed to shipbuilders' success in raising their prices, the volume of orders was also sharply greater. The provisional total for last year, 2014, confirms anecdotal evidence that such a relatively high level was not maintained, but it remained solid at an estimated $101bn. One result of the further ordering spree is a world shipyard orderbook which has edged upwards as a proportion of the existing world fleet, to 18 percent at the end of 2014.

Who has been arranging these heavy investments? Figures derived from an analysis also compiled by Clarkson Research, based on owner country (location of contracting owner), reveals that over the period of five years from 2010 to 2014 investors in the United States achieved the largest total, amounting to $61.6bn. This amount was closely followed by owners in Greece, investing $60.4bn, with China $57.7bn and Norway $53.3bn in third and fourth places. Japan attained a large $37.7bn, and Singapore $28.3bn. The overall global total contract value of newbuilding vessel orders placed during the five years is estimated at an impressive $541bn.

A breakdown by vessel type is revealing as well, indicating where owners collectively envisaged profitable trading opportunities arising eventually. As shown in the chart, bulk carriers were a popular choice, attracting investment of $132bn during the 2010 to 2014 period. This total was far higher than seen in the other two mainstream sectors, tankers ($65bn) and container ships ($58bn). But the offshore vessel sector saw the largest total, reaching $167bn over the five years, while gas carriers (LNG and LPG) also saw a very big $59bn invested.What are the current 'hot' categories? In 2014 newbuilding orders for five specific types and sizes of vessel were most prominent: (1) LNG carriers of 140,000 cubic metres or larger; (2) capesize bulk carriers; (3) handymax bulk carriers, including the supramax and ultramax sub-groups; (4) handysize tankers; and (5) LPG carriers of 60,000 cbm or larger. These priorities for investors were identified in a recent Lloyd's List article based on Clarkson Research statistical data. However, only gas carriers were ordered during last year in larger numbers than seen in the previous twelve months. The other three hot vessel types, two sizes of bulk carrier and smaller-size tankers, saw greatly reduced orders while remaining popular choices for additional investment.Another way of observing investment patterns over a longer period is to look at the global shipyard orderbook trend in vessel tonnage terms. At its peak at the end of 2008, the world orderbook for new ships of all types totalled 393 million gross tons, according to Clarksons, equivalent to almost one half of the existing world fleet trading at that time. Gross tons is a useful measurement, because the widely-used deadweight tonnage is not normally applicable to some specialised vessel types. Over subsequent years, as deliveries outpaced new orders, the total orderbook shrank to 184m GT at end-2012. But over the following two years, deliveries were more than offset by new orders, causing the orderbook total to rise to 214m GT at the end of 2014.

Vigorously pursuing profits

As is well known investment, from a business viewpoint, usually can only be justified if expected profits are good enough. Returns depend on finance and operating costs, and on income reflecting rates for charter hire, or alternative employment revenue such as, in the case of container service operators, box rates. These income streams, in turn, reflect the interaction of demand and supply trends. Trade volumes and distances on the demand side, and fleet evolution and productivity on the supply side, are the prominent drivers affecting market rates and prices, which are watched closely.In recent years, as a broad generalisation, shipowners' expectations in a number of sectors ran ahead of market realities. It can be argued that too much investment has been made in new ships, causing successive delays in the move towards improved market conditions and better profits. Periods of greater optimism, encouraging intensified newbuilding ordering, have resulted in excessive additional capacity being delivered. Fleet expansion has proceeded more rapidly than employment opportunities have expanded. This feature has not affected all sectors to the same extent, or throughout the entire period, but it explains much of the subdued market conditions which have been experienced over the past few years.A number of news articles (mostly in the non-specialised media) have suggested that lack of global trade growth is the main explanation for subdued or depressed shipping markets. This contention is misleading. The overall trend actually has been evolving robustly. Global seaborne trade in all cargoes apparently grew at an average annual rate of 4 percent in the past four years, from 2011 to 2014. This achievement followed a much higher rate in 2010, but that was a bounce-back from the previous year's unusual reduction in trade volume resulting from the world economy's Great Recession. An annual 4 percent growth rate is well in line with historical performance. Moreover tonne-mile growth (a better indicator of ship employment, measuring voyage distances as well as cargo volumes), appears to have grown slightly faster, at 4.5 percent annually in the past few years.

Nevertheless, some parts of the trade picture have been weak for long periods or for a limited duration. Seaborne crude oil movements, for instance, a very prominent part, remained broadly flat during the past ten years. Liquefied natural gas (LNG) trade was also flat over several years. On the whole, shipowners optimism about global trade expansion has proved well-founded up to now. Unfortunately, for owners, these expectations led to collective over-optimism about how much transport capacity would be required in the years following the points at which newbuilding investments were arranged. In some cases investment views evidently were affected by historically low newbuilding prices offered by shipyards, coupled with favourable financing terms. Also, during the recent period exceptionally low interest rates were an added attraction when financing could be secured.

New investors climb aboard

Another factor has allegedly distorted the supply side of the shipping markets by accelerating fleet expansion beyond its more natural growth rate. The involvement in the recent era of industry 'outsiders', more specifically non-traditional owners like private equity investors and hedge funds, certainly has added impetus to capacity enlargement. These types of investment funds, participating over the past decade, had not previously shown much interest in shipping. A counter-argument is that banks, the main traditional source of external finance for ship investments, have been pulling back to reduce their exposure to the shipping industry, and therefore new major sources of funding were urgently needed.Estimating the extent of private equity, hedge fund and other alternative investors' penetration of the shipping industry is not easy; many deals remain private and are not fully reported. Some investors have purchased vessels directly as well as through joint ventures with shipping specialists. One source suggests that, at the beginning of 2014, private equity financed a substantial part, 22 percent, of the global vessel orderbook. Private equity investors also have been very active in buying shipping loan books (portfolios of loans on individual ships) from banks, with a total value during 2013 estimated at $5 billion.Private equity can be defined as investment from private sources, often a private equity firm in partnership with institutional investors such as pension funds and insurance companies. Typically, money is invested in equity shares of unlisted (not publicly traded on a stock exchange) companies. Providing finance for management buy-outs and refinancings is another aspect, also known as venture capital. Private equity investors often make an active contribution to the target company's management, seeking to boost efficiency and performance, as well as supplying capital. The usual strategy is to enhance value and resell as quickly as possible at a large profit, sometimes by floating the company on the stock market. Hedge funds are another category also emerging as shipping investors: these are more speculative, trading heavily in asset-price and other market fluctuations. An essentially short-term focus is a feature of such players (although usually, in the case of private equity in particular, a period of a few years rather than just months), potentially causing 'disruptive' activity in markets. As a group, private equity investors are often characterised as temporary participants, although some aim for longer-term returns. Moreover, they are sometimes regarded as having no firm commitment to the industry, with only an intention of obtaining 'quick profits' over the shortest possible period, buying at low or distressed prices and selling at the highest price possible. Consequently they are often viewed as somewhat predatory. While welcomed by many, others view their involvement as suspect and potentially unfavourable, leading to controversy. Investment strategies vary, a three to five year timeframe tending to be the norm, with the aim of achieving a total 15-20 percent return on invested funds. But returns of that size have often proved elusive, amid what is regarded (by traditional shipping industry players) as the inability of many private equity and hedge funds to fully understand the nature of global shipping markets and the challenges these pose for investors. In many cases these funds' attempts to exit their investments through asset sales (at a large profit) or IPOs (initial public offerings – floating the company on the stock market) have been problematical. Tight credit markets globally clearly has been a key factor instrumental in enlarging opportunities for shipping finance supplied by 'outsiders' in recent years. Traditional bank financing for shipping investments continued to be very limited and available for only a restricted number of solid transactions. Relatively low vessel values added a compelling incentive attracting new investors. Many opportunities for participation in both shipping companies and individual ships were created.

Future surfing

Over the next couple of years at least, the world fleet of ships in many sectors is set to continue expanding, at varying growth rates, often quite robustly. The current orderbook almost certainly will ensure this outcome, as most ships currently on order will be delivered eventually. Delivery schedules are likely to alter, and some orders may be converted to other ship types or sizes, but these changes will merely modify the pace at which new capacity is added.

Scrapping of old or uneconomical tonnage is likely to only partly offset newbuildings entering the market. For some time ahead, consequently, market players' worries about fleet expansion probably will be an enduring feature.

Source: Article By Richard Scott, Visiting Lecturer, University of Greenwich & MD, Bulk Shipping Analysis

The **VOLVOX OLYMPIA** enroute Rotterdam **Photo : Cees van der Kooij ©**

Golar LNG Limited sells Golar Viking

Golar LNG Ltd the completion of the sale and delivery of the 2005 built LNGC Golar Viking to PT Perusahaan Pelayaran Equinox ("Equinox"). The transaction has been concluded at a sale price of US$ 135 million. The vessel has been re-named "Salju" under Indonesian flag and Registry. Under Indonesian Cabotage regulations, LNG cargoes produced and sold within Indonesia must be transported on an Indonesian flagged vessel. With an anticipated increase in domestic allocation for Indonesian produced LNG cargoes in 2015, Equinox believe the timing is right to acquire the Golar Viking and transfer the vessel to Indonesian flag.

The growth in the Indonesian domestic trade of LNG is the direct result of the recent introduction of 3 new LNG Terminals which are supplied from LNG production facilities at Bontang and Tangguh. The receiving Terminals are the FSRU Nusantara Regas Satu (commenced operations in Q2 2012) located in West Java, PGN FSRU (Q3 2014) located in Lampung and the Arun Receiving Terminal in Aceh Province, scheduled to commence operations in the first quarter of 2015.FSRU Nusantara Regas Satu is owned and operated by PT Golar Indonesia, a joint venture company between Golar and Equinox's parent company.The technical specification of Golar Viking, now renamed Salju, is well suited for the short haul nature of the domestic Indonesian trade. The transfer of ownership and the anticipated future employment of the vessel recognises that long haul sea borne trade will increasingly become dominated by modern, larger and more efficient vessels providing greater economies of scale. In connection with the sale, Golar has repaid a secured bank loan of approximately USD 82 million. The sale was concluded at the vessel's approximate book value as at December 31, 2014 and Golar therefore do not expect this transaction to materially impact its first quarter results for 2015. In addition to a limited amount of equity initially invested in the transaction by Equinox, Golar have provided a bridging loan facility. It is Equinox's intention to refinance a majority of this debt with third party debt for which Equinox already has commitments from banks. After this, it is anticipated that approximately $53 million of the Golar debt will be outstanding, secured with a second priority security over the vessel. This debt will have a tenure of 10 years. The return on this debt will be based on libor plus a blended margin of 4%, with a further kicker driven by the ships actual operational performance. Golar will also provide risk management support to Equinox, thereby indirectly increasing the Company's presence in the growing Indonesian domestic LNG trade. Golar will work together with Equinox should the vessel be available for international trade in the future."The sale of the vessel in support of Equinox's aim of actively servicing Indonesian domestic LNG shipping demand fits with our strategy of maximizing cash flows in the currently challenging shipping environment. Golar's support to Equinox strengthens the ties we have with our long term partners in the important Indonesian market. The transaction further confirms Golar's strategy of reducing the Company's exposure to the LNG shipping market and focusing its investment in the FLNG business." said Gary Smith, CEO Golar Management. Equinox view this transaction as a major step in achieving their aim of building on their long involvement in LNG and establishing Equinox as a leading, first class Indonesian LNG ship owner and operator.**Source : globenewswire**

Compliance shouldn't be a choice!

The new sulphur emission regulations have been a hotly contended issue from the start but now debate has moved to their implementation, or more accurately, enforcing compliance. The enforcement of these regulations will be the driver of change, not the regulations themselves. Europort envisages opportunities for innovation not just in relation to the technologies employed in order to be compliant but also in relation to enforcement. Imaginative tools for detection abound, ranging from technology on vessels to ‘sniff out’ the use of heavy fuel oil to unmanned drones with emission sensors.

Shipowners and operators should be deciding on which strategy to embrace for compliance not deciding whether or not to comply. However, inconsistent and weak rule enforcement, together with the prospect of potential punishments that are often insignificant, can create a ‘cost differential’ that amounts to a temptation not to comply at all.Industry analyst SeaIntel recently revealed in a survey: “Our analysis showed that a 4,500 teu vessel sailing at 16 knots from the entrance of the Channel to Hamburg, using 1% sulphur fuel instead of the mandated 0.1%, would save EUR12,000 – six times more than the German fine, and that is just one way.”

However, failure to ensure uniform compliance with the sulphur emission limits will significantly distort the competition between shipowners globally, as it will not be sustainable for a compliant ship to compete with another ship operating in noncompliance. A level playing field is commercially critical for owners and without it there is a danger of a two-tier market developing. This would not be beneficial to the industry as a whole in the long-term; nor is it conducive to technological advancement.

Europort, in line with its position of supporting innovation and pioneering measures in relation to ship efficiency, is endorsing a responsible industry that looks to mitigate this risk by forming a coalition of shipowners and operators who share the common interest in consistent and robust enforcement of maritime sulphur regulations. The Trident Alliance is mainly focused on raising awareness of the issue, supported by member companies’ transparency on enforcement, as well as on initiatives to foster innovation in enforcement technology.The Alliance has attracted some 31 member companies to date, including leading Dutch ship owners **Spliethoff, Transfennica** and **Biglift.** “**Spliethoff** is glad to note that states like the Netherlands and Finland have sharpened their enforcement policy,” says Sjoerd Hupkes Wijnstra – environmental strategist and spokesman for the Spliethoff Group. “We are also pleased with the coordinating work on enforcement done by the European Sustainable Shipping Forum. Much work remains to be done, though.”

The Trident Alliance’s cause has recently been strengthened, with BIMCO adding its voice to the call on governments to exercise “robust” enforcement of sulphur limits applicable to ships operating in Emission Control Areas. Following discussion at its recent board meeting, BIMCO President John Denholm described this position as crucial to maintaining a level playing field for shipping companies operating in Emission Control Areas (ECAs) and ensuring that compliant companies were not left at a disadvantage. The President said: “The maritime industry will shortly experience an unprecedented rise in operating costs as countries bordering ECAs implement very low limits for sulphur content in the fuel oils used by ships. BIMCO is calling on the governments of these countries to exercise robust enforcement of applicable sulphur limits to ensure a continued level playing field for ships operating in ECAs. Failure to do so would seriously expose compliant shipowners and operators who are bearing the high cost of ultra-low sulphur diesel oil.”

FOR SALE : 40 KTS SALVAGE RIB

At the premises of **OCEANWIDE SAFETY AT SEA** in Rotterdam a nearly new 11.3 mtr long RIB is for sale The

RIB is Glass Reinforced Vinylester built with all materials are approved by classification societies for the construction of lifeboats and fast workboats. The a.m. construction parts are efficiently stiffened with floors, bulkheads and longitudinals All G.R.P. parts are orange gel coated. The tube is orange and is having an orange coloured skirt. The RIB is powered by 2 **Volvo Penta Type : D 6-435** engines Max. output 320 kW = 435 HP Max. RPM 3500 driving each via an ZF type 220 gearbox a **Rolls Royce FF 310 waterjet** for a top speed of **40 knots** The engines can be started by a 12 Volt electrical starting system, with electrical power supply from the a.m. starterbatteries. Installed are two fuel tanks of aluminium placed under deck . With a capacity of 300 liter each, for a **range of 150 nautical miles** at maximum speed this fast well built RIB which can be used for rescue and salvage operations can be obtained for a reasonable price , if you are interested please contact **Klaas Kapteijn** at **Oceanwide Safety at Sea B.V.** in Rotterdam via : **Tel: +31-(0)10-2151053**
Mob: +31-(0)6-13211079
klaas.kapteijn@oceanwidesafety.nl

B.C. introduces LNG regulation bill

A bill to regulate the construction, operations and permitting of LNG development on federal port lands has been introduced into British Columbia's legislature.

LNG developments

Deputy Premier and Minister of Natural Gas Development, Rich Coleman, introduced Bill 12, the Federal Port Development Act (FPDA). The legislation will extend provincial authority and application of provincial law to LNG-related development on federal port lands. The FPDA authorises the Province of British Columbia to enter into agreements with the federal government and a federal port to administer and enforce provincial law on port lands. Agreements under the FPDA legislation would, for example, detail how the BC Oil and Gas Commission would oversee development and operations of LNG facilities at a federal regulated port.

Prince Rupert

LNG facilities proposed for the Port of Prince Rupert are expected to be the first to benefit from this arrangement. There are currently two projects in the area: Pacific NorthWest LNG and Prince Rupert LNG. Marine traffic and LNG shipping operations will not be affected by this bill and will continue to be led by Transport Canada under the Canada Marine Act (CMA). Commenting on the new bill, Rich Coleman said: "This legislation will continue to support British Columbia's liquefied natural gas industry. Proponents will be able to invest in a facility knowing the rules that apply and provincial officials will ensure LNG operations are safe and environmentally sound." **Source : LNG Industry**

Dry Bulk Shipping to Recover in Late 2015

Strong trade growth, moderating fleet development and deployment of new fuel efficient vessels are expected to lead to a recovery in dry bulk shipping rates later in 2015, according to the latest edition of the Dry Bulk Forecaster, published by global shipping consultancy Drewry.

"We expect rates to remain under pressure through the first quarter of 2015," said Rahul Sharan, Drewry's dry bulk shipping lead analyst. "However, thereafter earnings will recover as modern fuel efficient ships gain employment at higher rates relative to older ships. This is one of the reasons why average charter rates recovered in 2014 compared to 2013, despite continuing capacity pressure." Modern vessels command higher rates due to their superior fuel efficiency and environmental credentials, relative to older units. Drewry estimates that since 2011 the average age of the dry bulk fleet has declined from 12 to 9 years (see above graph) which is one of several factors that has helped to support charter rates in an otherwise weak market.

Drewry estimates that the dry bulk shipping trade increased 8.3% in 2014, supported by strong iron ore demand and a 20% leap in grain trade. New vessel deliveries declined in 2014 as owners deferred orders in light of a weak market which limited 2014 fleet growth to 5.3% compared with 6.2% in 2013. Future capacity additions to the dry bulk fleet are likely to be checked by the conversion of some existing dry bulk orders to tankers, and continued slippage with new deliveries."We expect to see some acceleration in 2015 deliveries despite a moderating orderbook, thanks largely to increased slippage from 2014," added Sharan. "However, despite the uncertainty surrounding the global economy, we anticipate that 2015 will be another year in which dry bulk demand outpaces supply. This more favourable capacity outlook coupled with the influx of modern fuel efficient ships points to a recovery in the dry bulk shipping market in the second half of 2015." **Source: Drewry Maritime Research**

Odfjell signs fleet agreement with NAVTOR

Odfjell, a global leader in the chemical tanker and gas carrier shipping segment, is set to roll out NAVTOR e-navigation solutions throughout its entire fleet. The move will increase operational efficiency, while greatly reducing the number of man-hours spent on administration across the ship owner's 50 deep-sea vessels, the company said in its press release.

E-navigation specialist NAVTOR will now facilitate Odfjell's transition from paper charts to paperless navigation, ensuring that all vessels meet the class deadline for compliance with the IMO's ECDIS mandate (July 2015). The 40,000 dwt Bow Sky is the first ship to adopt NAVTOR's AVCS service, with a further roll out planned throughout Q1 and Q2 2015 "This will be a revolutionary change for the Odfjell teams on the bridge," states NAVTOR Marketing and Communications Manager Willy Zeiler.

“The administration of paper charts takes many hours each week – it is a necessary yet laborious use of man hours. However, with NAVTOR’s digital ENC service it’s simple, taking just a few minutes. That frees up valuable time for the bridge team, allowing them to focus on other important operational tasks, while also increasing job satisfaction, reducing fatigue and, therefore, boosting safety.

NAVTOR has built a market leading position since the launch of its ENC service in 2011. The solution is distributed on the pre-loaded USB-based NavStick, allowing navigators to instantly access global charts and licences. Once installed on the ECDIS, the service can be updated on a regular basis, as per the SOLAS chart carriage requirement, using the same USB stick and the NavSync online synchronisation feature. This ensures that all charts, updates and licences are the most recent versions.“Odfjell is a respected name in world shipping and gaining another customer of their stature demonstrates the growing appreciation for our innovative products,” continues Zeiler. “The AVCS offer is the cornerstone, but with our NavTracker fleet management tool and weather optimised route planning service we have a truly comprehensive e-navigation package.

“This delivers not just safer navigation and reduced man hours, but also better shore-to-sea understanding of fleet movements, enhanced planning capabilities and informed decision making. Together that impacts positively on operational efficiency and business costs.” The agreement marks the culmination of a busy six months for NAVTOR, which opened its first office in Asia in December – in Singapore – and launched the NAVTOR NavStation in September, the world’s first digital chart table. **Source : PortNews**

Dubai World fixes debt deal

Dubai World, the state-owned conglomerate which controls shipyards and terminals around the world, has come to an agreement with its creditor banks on its proposal to amend and extend the terms of its outstanding debt totalling $14.6bn“For Dubai World, we now have more time to dispose of non-core assets to achieve optimum value to the benefit of the company and its lenders and we are in a good position to continue to de-lever and obtain favourable credit terms sooner than expected,” a spokesperson for the company said. **Source : gulfshipnews**

NAVY NEWS

Turkish naval ship participates in NATO counter-piracy operation ‘Ocean Shield’

The Turkish naval ship **TCG Büyükada** conducted several exercises with international naval forces from Japan, Australia, Korea and Oman last week as part of the NATO counter-piracy operation “Ocean Shield.” "Exercising with international forces while patrolling the joint area of operations enhances our interoperability and cooperation with our maritime partners,” said Vice Admiral Bruno Paulmier, deputy commander of NATO's Allied Maritime Command. "These opportunities also prove valuable tests of the skills among these forces,” he added, according to a statement issued by NATO on Feb. 13.The **TCG Büyükada** conducted replenishment-at-sea training with the Royal Australian Navy's HMAS Success, a multi-product replenishment oiler. The **TCG Büyükada** conducted exercises with the Japan Maritime Self Defense Force's JS Harusame, an independent deployer that focuses on counter-piracy in the region, testing common procedures and maneuvers. The **TCG Büyükada** had the opportunity to perform passing exercises, including maneuvering training and formation drills, with the Republic of Korea Navy's ROKS **Dae Jo Yeong** in the Arabian Sea. The **TCG Büyükada** also participated in drills focused on fire-fighting with the Royal Omani Navy. “This training is part of broader regional capacity-building activities with countries in the area of operations,” NATO said."Exercising with the Australian, Japanese, Korean and Omani navies over the course of a very busy week was highly beneficial for this crew, a contribution to strengthen cooperation among navies committed to counter-piracy,” said lieutenant commander of the **TCG Büyükada** Ali Tuna Baysal. "This deployment has provided us an excellent opportunity to work together with our partners, demonstrating the flexibility we are able to reach operating side-by-side," he added. **Source :todayszaman**

Russian warships are back in the English Channel

A Royal Navy ship, the HMS **Argyll,** intercepted a Russian frigate travelling with a tanker in the English Channel on Wednesday.

The Neustrashimy class frigate **Yaroslav Mudryy** — “Yaroslav the Wise” — is part of Russia’s Baltic fleet and is equipped with anti-ship missiles, the Kashtan anti-aircraft system and torpedoes. The HMS Argyll was dispatched to intercept the ships as part of a “NATO agreement whereby alliance nations co-operate to monitor activity”, according to the Ministry of Defence. The Russian ships are on the last leg of a Mediterranean deployment and are now heading to their permanent base in the Baltic. They are the second set of Russian ships to have traversed the Channel in the past few months after a squadron of the country’s Northern Fleet passed through in November.Russia has stepped up its military drills in recent months with a greater number of naval drills and NATO reports of incursions by Russian fighter jets and bombers. It comes as the country’s economy continues to suffer under international sanctions imposed by the West over allegations that Russia has been providing troops and military equipment to pro-Moscow rebels in the east of Ukraine. **Source : businessinsider.**

Ex-Navy chief indicted for alleged graft

A former Navy chief was indicted Tuesday on charges of receiving bribes from the head of a troubled defense firm when he was in office seven years ago, state investigators said.Retired Adm. Jung Ok-geun, who served as the Navy Chief of Staff from 2008 to 2010, allegedly asked for 770 million won ($699,000) in bribes from two affiliates of STX Group in September 2008, a government anti-corruption task force said.Investigators believe Jung offered the companies Navy contracts to build a high-speed guided missile patrol gun boat and the next-generation frigate in return.The bribes were allegedly provided in the form of a sponsorship to a yacht event arranged by Jung's son, according to the investigators.

The yacht company whose majority stake was owned by the younger Jung went out of business shortly thereafter, raising suspicions that it may have been a paper company.Investigators said Jung initially asked for 1 billion won but settled for less after the STX chairman Kang Duk-soo balked. He also offered the chairman a chance to ride a warship with then President Lee Myung-bak.Investigators also believe Jung at one point threatened the chairman, suggesting retaliation if he didn't oblige.Jung's son, a former Navy officer, and a non-executive director of an STX Group affiliate were also indicted without physical detention for collusion. **Source : Yonhap**

SHIPYARD NEWS

Yangzijiang Shipbuilding books first LNG carrier orders

China's Yangzijiang Shipbuilding (Holdings) Limited says it has secured new shipbuilding orders, worth $135 million, to build two 27,500 cu.m LNG (liquefied natural gas) carriers. The orders come from JHW Engineering & Contracting Limited, a subsidiary of Jacques de Chateauvieux's Jaccar Holdings. The ships are schedulded to be delivered from the shipyard in 2017.

Commenting on the new LNG order, Mr. Ren Yuanlin, Executive Chairman of the Group, said:

"Yangzijiang has entered a relatively mature stage in building bulk carriers and containerships and it has been on the management's agenda to formulate sustainable product strategy. Related research shows that global LNG market will grow from 238 Mtpa in 2014, to 420 Mtpa in 2020, and is expected to further increase to 500 Mtpa in 20251. The strategy to grow LNG vessel business aims to capture the stable medium to long term demand with its promising outlook."We have been preparing for the construction of LNG carriers for some time, and we are very pleased to activate it. The order is an endorsement from the client on our reputation, and overall shipbuilding and financial capabilities."We understand that LNG carriers are technically more demanding than bulk carriers and containerships; we will take necessary steps to ensure timely delivery and maintain the highest quality, make a solid launch in the new segment, and gradually grow it stronger." **Source : Marinelog**

David Cameron in Portsmouth to confirm city shipbuilding and Gosport helicopter servicing deals

NEW life will be breathed into the empty shiphall in Portsmouth as two companies moving into the dockyard have been named, The News can reveal.Magma Structures and BAE Systems will set up shop in Portsmouth Naval Base, Downing Street confirmed in a statement that coincided with a visit to the city today by David Cameron. It was also confirmed that around 450 jobs in Gosport will be safeguarded by a new helicopter servicing deal.Portsmouth North MP Penny Mordaunt welcomed the shipbuilding announcement and said Magma and BAE's work would lead to stability for the dockyard workforce in the city. Magma specialises in building complex composite structures while BAE is dedicated to working on counter-mine warfare at the site.Ms Mordaunt said: 'The workforce will never again have to be reliant on

Royal Navy contracts.'It's not just "hurrah we've saved a shiphall" but what we can do in the future and where this will take us.'This is more jobs that were there for the previous work in the shiphall.

'This is a complete shift from the past – this is about creating sustainable jobs for the workforce. 'It is something we've never had before.'Ms Mordaunt hopes BAE's maintenance work will quickly move to shipbuilding.The announcement is one of three prime minister David Cameron is due to make as he visits Hampshire today to tell how millions of pounds of defence investment will be sunk into the area.Mr Cameron's three announcements are:

- That Magma Structures and BAE have been chosen to occupy the vacant shiphall in Portsmouth's Naval Base;

- Businesses have been picked to carry out work to prepare the naval base for the imminent arrival of the Queen Elizabeth-class aircraft carriers;

- A £420m contract has been signed with Boeing to service the Royal Air Force's fleet of Chinook helicopters at the Vector Aerospace Fleetlands site in Gosport, sustaining around 450 jobs.

Mr Cameron also praised coverage and campaigning by The News after BAE axed its shipbuilding operation in Portsmouth in November 2013.

He said: 'There was huge disappointment when shipbuilding left its historic home last year.

'But today we see Portsmouth firmly looking to the future.

'This is a symbolic moment for Portsmouth – it's what people in the city have long been waiting for.

'After a time of uncertainty, the iconic hall will once again become a hive of activity and opportunity – and a crucial part of the city's marine industry.

'All this is thanks to the support of local businesses and residents, the teamwork across government and the council, and, of course, The News' coverage and campaigning.'

The Vector deal will see the firm service the RAF's Chinook helicopters for the next five years. Chinook is the UK's only military heavy-lift helicopter, able to transport 54 troops or 10 tonnes of supplies.The contract will support the RAF's fleet, which will be 60-strong by early 2017 and includes the new Mark 6 helicopters. The announcements come after the Ministry of Defence announced last month the names of three firms in the running to take over the shipyard.

Magma Structures, which builds free-standing rigs for large yachts, and Burgess Marine, which specialises in ship repair and construction joined BAE Systems, which wants to transform the site into a centre of excellence for 'mine warfare' and repair of minesweeper vessels.

MORE work is coming to the city as cutting edge technology will ramp up the size of the shiphall's order book, politicians have said as they welcome the return of shipbuilding to the city.Penny Mordaunt, Portsmouth North MP, has praised the work of Magma Structures and BAE Ms Mordaunt added: 'Magma really is an amazing company they are building the most incredible structures that are pushing the boundaries in science and technology.'There's a huge synergy with them and the future of the fleet, particularly on mine counter-warfare, which is what BAE is looking to expand.

'There's already discussion about Type 26s potentially not having steel hulls.'Ms Mordaunt added there was an opportunity to base the navy's Hunt and Sandown class minehunters based in Portsmouth. 'That would create more work,' she added.And Ms Mordaunt said Portsdown Technology Park has a potential order book of £300bn.

Councillor Donna Jones, Portsmouth City Council leader, last night said she welcomes the prime minister's announcement She said: 'I've been working on the BAE shipyard new contract for 14 months now. I welcome the prime minister's announcement today with open arms.'

It comes after David Cameron wrote to The News last January outlining the government's commitment following the demise of shipbuilding. BAE Systems announced in November 2013 that it intended to stop shipbuilding in Portsmouth.

Of the almost 1,000 workers who were employed in the shipyard, around 175 have since been re-employed in other parts of the company.The majority of those jobs were found in the firm's Maritime Services division, which deals with warship maintenance.A further 585 workers left to take employment elsewhere and there were 160 compulsory redundancies. The final naval ship block built in the city was for the new aircraft carrier **HMS Prince of Wales.** It left on a barge bound for Scotland in August. **Source : The News / Portsmouth**

China Ocean Shipbuilding to raise HK$60m

Hong Kong: China Ocean Shipbuilding has announced that the company has entered into subscription agreements to issue HK$60m of convertible bonds The company plans to apply the raised funds for the development and investment of the company's financial leasing business as well as general working capital. The issue of convertible bonds represents an opportunity to raise additional funds for the company to implement business plans including diversification into the financial leasing business, and to enhance its financial position, said the company. **Source : sinoshipnews**

Russian Shipyard Makes History: 4 Subs Under Construction Simultaneously

Four of the most advanced nuclear-powered submarines in the world are now simultaneously under construction at Russia's Sevmash shipyard for the first time in the country's modern history, Russia media reported."Sevmash finished 2014 with good results, completely fulfilling the planned volume of the state defense order. Also in 2014, four fourth-generation nuclear submarines have been laid down at the stocks of the shipyard," Sevmash spokesman Marat Abizhanov said.Last year, the company constructed and transferred two Yasen- and Borei-class nuclear-powered submarines, the Severodvinsk and the Vladimir Monomakh, which were then delivered to the Russian Navy.This year, Sevmash is constructing Yasen-M- and Borei-A-class nuclear-powered submarines, the Kazan and the Prince Vladimir, as well as the multipurpose nuclear submarine Novosibirsk and the nuclear submarine Prince Oleg.Founded in 1939, Sevmash is based in the northern Russian city of Severodvinsk, and remains the only Russian shipyard to build atomic submarines for the Russian Navy. **Source : sputniknews**

Dae Sun wins boxship order

The shipyard said Tuesday that the contract, its first in 2015, was for four firm newbuildings plus options for an additional two ships.Dae Sun tells TradeWinds that the ships are all due to be delivered by the third quarter of 2017. However, no financial details were disclosed.The Greek shipowner has now ordered a total of 14 vessels at the Busan-based yard, 12 of which are containerships and two are handysize bulkers, the shipbuilder confirmed.The Jae Yong Ahn-led shipyard said that it secured a total of 17 newbuilding orders in 2014. **Source : Tradewinds**

Guangzhou Shipyard returns to profit in 2014 after restructuring

By Lee Hong Liang from Singapore

Restructured Guangzhou Shipyard International (GSI) has boosted its revenue in 2014 and returned to profit from the loss recorded in 2013. The Chinese shipbuilder posted a profit of RMB151.5m ($24.24m) in 2014 as against a loss of RMB218.57m in 2013.Revenue for the year ended 31 December 2014 rose to RMB9.53bn, an increase of 63.2% from RMB5.84bn in the previous financial year. The return to profit last year was attributed mainly to the sale of non-core units which allowed the company to book a non-operating income of RMB813.33m.The sale of the non-core assets was part of GSI's restructuring process, which also included GSI's parent firm China State Shipbuilding Corporation (CSSC) transferring 100% shares of its subsidiary Huangpu Wenchong Shipbuilding Company to GSI ownership.

Last year, GSI commenced the building of 23 ships, launched 25 ships and completed construction of 18 ships of 1.34m dwt, which represented an increase of 13% year-on-year in tonnage terms. For 2015, GSI plans to undertake contracts amounting to RMB10bn and to complete the construction of ships with 21.17m dwt, as well as other jobs on ship equipment. **Source : Seatrade Global**

ROUTE, PORTS & SERVICES

Oil & Gas explorers need to rethink their capex on exploration activity in Africa in the light of the drop in the global oil price: PwC analysis

Oil & gas explorers must rethink their capital expenditure on exploration activity across the African continent in the wake of the significant drop in the global oil price, according to an analysis on the oil & gas industry in Africa released by PwC today. “Oil & gas explorers will be relooking at their budgets and deciding where to allocate their limited capital spend given the substantial decline in the oil price. Overall, low oil prices could have an impact on production undermining certain players in the market,” warns Chris Bredenhann, PwC Africa Oil and Gas Advisory Leader. The WTI price for crude oil recently plunged below US$49 per barrel, following wide-scale reports of oversupply in the US. Current reserves are reported in the press to be at their highest level in the past 80 years.According to PwC’s ‘Fit for $50 oil in Africa’ analysis, Africa has seen substantial successes in the exploration for hydrocarbons over the last decade including the entry of new country players with East Africa, joining the ranks of their West African neighbours. In 2013 alone, six of the top 10 global discoveries by size were made in Africa – including some of the largest discoveries in the last decade in East Africa. The key to surviving the ups and downs of the cyclical oil & gas market is to learn how to adapt quickly – be more agile!   “ Oil & gas companies now need to plan for the upturn that is sure to follow to ensure that the potential boom does not go bust,” adds Bredenhann.

The drop in oil prices is expected to have a significant impact on Africa, which has been grappling with the effects of long-term poverty, food shortages, HIV/AIDS, and more recently the outbreak of the Ebola virus in West Africa.The challenges facing oil & Gas companies in Africa continue to be diverse and numerous fuelled by regulatory uncertainty, fraud and corruption, poor infrastructure, and a lack of skilled resources, among others. Furthermore, Africa has one of the highest average finding costs in the world at a massive $35.01 per barrel in 2009 surpassed only by the US offshore fields which came in at $41.51 per barrel, according to the US Energy Information Administration.

Africa also holds a number of technically challenging hydrocarbon prospects. Examples include deepwater sub-salt exploration activity in West Africa, waxy oil in Uganda as well as offshore exploration leases in South Africa.Bredenhann says: “While oilfield service companies will venture to cut back on spending, they will also be under extreme pressure by the oil companies to drop their prices.”

According to the analysis, the following oil & gas players in the market are expected to be most likely at risk from the drop in the oil price: frontier areas, host governments, major gas projects and oilfield service companies.Frontier areas around the world are expected to suffer from delayed development in the near-term. These include technically difficult projects that require more spend than conventional production such as deepwater, sub-salt, shale gas and enhanced oil recovery ventures. Countries that may see frontier project delays include offshore South Africa, sub-salt Congo and Angola, offshore Tanzania and shale gas in South Africa. Shale gas, in particular, could move forward if the gas price were not 100% fully-indexed to oil. . It should be noted that oil companies do not make their investment decisions based on short-term, cyclical price changes but rather on wider price trends given the long-term nature of these investments.

Major African gas projects are also expected to be under increased scrutiny, as oil-linked LNG prices have dropped significantly. "While we don't envision that the major LNG projects in Mozambique and Tanzania will be cancelled outright, costs are a major concern for investors," Bredenhann says.At this time, governments would do well to place regulatory, legislative and fiscal policies in order so that they are seen as attractive regimes when the price recovers.

Oilfield service companies will be hit hard globally, but Africa may be an especially vulnerable portion of their portfolios, states the analysis. Africa could pose further challenges due to difficult logistics and the lack of infrastructure. Overall exploration costs have already decreased significantly due to cost pressures, in particular seismic surveying and drilling. This is expected to lead to idle rigs as well as delayed and potentially cancelled projects.

However, not all is doom and gloom. There are still numerous opportunities to invest in the industry within Africa. The greatest opportunity seems to lie within onshore exploration. There are still risks, but onshore exploration is also significantly cheaper. Tullow Oil has certainly taken note of this opportunity as it has announced that it plans to drill six basin openers in onshore Kenya during 2015.

Aside from exploration, some players are moving ahead with development programmes, even though they have no plans to expand with exploration drilling. "We also see that there could be significant potential for firms that are strong in R & D," adds Bredenhann. Lastly, there is opportunity for new players with strong balance sheets to enter the African market, potentially at a low cost.A number of issues must, therefore, be addressed. This can be done by starting with an organisational stress test including strategic, financial, operational and commercial elements. In situations of low commodity prices, many companies respond with knee-jerk cost reduction programmes. This could be more effective if they took the time to understand what specific costs are, how they compare to peers and what reductions are truly possible. Cost reduction programmes need to be targeted and realistic," concludes Bredenhann.

For more information, please visit : **http://www.pwc.com**

DOF's Subsidiary Norskan Offshore, Sells 5 Ships in Brazil

DOF's subsidiary Norskan Offshore in Rio de Janeiro, Brazil, has entered into an agreement for sale of 5 ships operating in Brazil. The ships included in the agreement are «**Skandi Copacabana**», UT 722 L, built 2005, «**Skandi Leblon**», UT 755 L, built 2004, «**Skandi Flamengo**», UT 755 L, built 2003, «**Skandi Yare**», UT 755, built 2001 and «**Skandi Stolmen**», UT 755, built 1997. The buyers are companies owned by a Brazilian Private Equity Fund managed by Mantiq Investimentos and Mare Investimentos, based in Sao Paulo and Rio de Janeiro, Brazil. Norskan Offshore Ltda. will for now and latest until the current charter contracts are terminated, be responsible for the operation of the ships. Two of the vessels, **Skandi Leblon** and **Skandi Flamengo** have firm contracts up for renewal in 2015. DOF has still a market risk related to renewal of these two charter contracts.The sale will release approx. NOK 500 million of free liquidity to the shipowning companies on redemption of loans. Delivery of the ships is planned to take place in the period ultimo February to April.

CEO Mons S. Aase states: "We are very pleased to have entered into this agreement, and shall be looking forward to cooperating with the new owners. The sale is adapted to DOF's long term strategy to prioritize ownership and operations of more advanced ships in Brazilian waters." For more information, please visit: **http://www.dof.no/en-GB/**

Bosporus Strait, port of Novorossiisk shut due to bad weather: shipping sources

The Bosporus Strait and the key Black Sea port of Novorossiisk have both been closed due to bad weather, shipping sources told Platts Tuesday"The Bosporus closed at 12.30 hrs [local time] due to snow and low visibility," said a local port agent. Shipping sources say there are currently nine tankers over 200 m in length overall waiting to pass through the Bosporus in a northbound direction, and none waiting to go south.The bad weather has also extended into the Black Sea leading to a suspension of loadings at Novorossiisk."Berthing is to commence right after the weather conditions improve but a gale warning is still in place with snowing, icing of vessels and wind speed up to 27 mph in gusts," said a local port agent.The additional spate of poor weather conditions this week could see delays at the terminal mount again, after weeks of gradually easing conditions, which saw loadings nearly normalize after a prolonged closure of the terminal earlier this year.The delays around Novorossiisk, which had built up since October due to near-consistent stormy weather this winter, had largely cleared by early February, Russian traders said last week.The loading concerns saw cargoes deferred and canceled in the February loading programs for both CPC Blend and Urals, creating a temporary tightness in both spot markets that has seen differentials in the Mediterranean market push sharply higher."There were significant issues around Novorossiisk," said one trader, adding that the situation had changed.The easing delays saw the excess supply of Russian fuel oil getting slowly placed, and in turn boosted domestic fuel oil prices."There were problems around Novorossiisk, but they are now solved," said another trader.
But with the renewed advent of inclement weather, delays may start increasing again."Delays had been easing at Novo but now the snow and bad weather is back again so it will build up a touch," said a shipbroker.This could provide some welcome relief for shipowners, as delays reduce the position list in the affected region and normally result in higher freight rates."We just heard about the fact Novorossiisk is closed. It might put some upward pressure on the Aframax rates in the Black Sea and Med at least," said a shipbroker.**Source: Platts**

MARITIME ARTIST CORNER

The latest watercolor made by Maritime artist **Ronald van Rikxoort,** the **SS ROTTERDAM** moored in Rotterdam
See more work made by Ronald at **www.artabc.nl**

…. PHOTO OF THE DAY …..

AHT 's **Union Princes, Kolga, Bylgia** in Mafumeira area **Photo : Arnout Kisjes ©**