DAILY COLLECTION OF MARITIME PRESS CLIPPINGS 2011 – 308

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

The (former royal) yacht PIET HEIN seen departing from the port of Maassluis, with seen in the background the tug ELBE
Photo : Hans ten Katen Sr (c)

EVENTS, INCIDENTS & OPERATIONS

Above seen the closing of the **LEKKO DAY** which was held last weekend in Ijmuiden, a show given by the **Iskes tugs TRITON, HERCULES** and **ARION** – **Photo : Jan Plug (c)**
(see more photos of this event below)

European Commission proposes regulation on safety of offshore oil and gas production

The European Commission yesterday proposed a new regulation setting strict health, safety and environmental standards for offshore operations across the EU. Contrary to earlier pronouncements, the regulation will not apply to operations of EU-headquartered companies outside the EU, though Operators will have to "endeavour" to conduct their worldwide offshore oil and gas operations in accordance with its principles. The draft sets clear rules that cover the whole lifecycle of all exploration and production activities from design to the final removal of an oil or gas installation. Under the control of national regulatory authorities, European industry will have to assess safety standards for offshore operations on a regular basis and upgrade continuously by taking into account new technology, new know-how and new risks. The Commission claims that the regulation can deliver a baseline reduction of risk of 50%, with associated savings of €103m - 455m per year, at a cumulative cost of €134m - 140m per year. The industry will bear the brunt of that cost. Energy Commissioner Günther Oettinger said: "Most oil and gas in Europe is produced offshore, often in harsh geographical and geological conditions. Given our growing energy demand, we will need all the oil and gas from beneath our seas. But we need to prevent accidents like Deepwater Horizon in the Gulf of Mexico from happening. Securing best industry practices in all our offshore operations is an undisputable must. Today's proposal is a crucial step forward towards safer offshore activities to the benefit of our citizens and our environment".The major features of the regulation (which heavily reflect the UK regulatory regime) are as follows:

Licensing

The licensing authorities in the Member States will have to make sure that only those operators with the sufficient technical and financial resource necessary to control the safety of offshore activities and environmental protection are allowed to explore for, and produce oil and gas, in EU waters.

Independent verifiers

The technical solutions presented by the operator that are critical for safety on the installation will need to be verified by an independent third party prior to, and periodically after, the installation commences operation.

Obligatory ex ante emergency planning

Companies will have to prepare a Major Hazard Report for their installation, containing a risk assessment and an emergency response plan before exploration or production begins. These reports will need to be submitted to national authorities who will give a go-ahead if satisfied.

Transparency

Comparable information will be made available to citizens about the standards of performance of the industry and the activities of the national competent authorities.

Emergency Response

Companies will prepare emergency response plans based on their rig or platform risk assessments and keep resources at hand to be able to put them into operation when necessary. Member States will likewise take full account of these plans when they compile national emergency plans. The plans will be periodically tested by the industry and national authorities.

Liability

Existing rules on environmental damage will be extended from territorial waters to the whole continental shelf and exclusive economic zone so that oil and gas companies will be fully liable for environmental damage caused to the protected marine species and natural habitat.

Comment

Whilst most EU offshore oil and gas production is currently from the UK and Norway, exploration and production licences have now been awarded in 13 Member (UK, the Netherlands, Denmark, Germany, Ireland, Italy, Spain, Greece, Romania, Bulgaria, Poland, Malta and Cyprus). To date EU legislation has not addressed all aspects of the offshore oil and gas industry and national legislation is very different between Member States. To the extent that the proposed regulation brings all Member States up to UK and Norwegian standards, the industry perhaps has little to fear and much to gain from it.

However, the industry will now be reviewing the draft in detail for any departures from the UK regime that might have unintended consequences on its effectiveness. For example, the regulation will require the competent authority of each member state to establish an anonymous whistle-blowing procedure that will enable workers to report environmental or health and safety concerns but remain anonymous throughout any subsequent investigation. That means that the HSE's current procedure will need to be amended. While the intention is good, it may raise the spectre of malicious reporting in the industry.

The regulation is not yet law until it is adopted by the European Council and Parliament. It is envisaged that it will come into force for existing installations by 2014, with a prior transitional period of one year for planned productions.

Please click here for the full text of the regulation

ISKES TUGS IN ACTION

The **HERCULES** and the **TRITON** seen in action in the port of IJmuiden - **Photo : R&F van der Hoek – LEKKO (c)**

The **ARION** seen in action - **Photo's : Kees Torn ©**
Photo below : Jan Plug ©

Iskes Towage & Salvage

www.iskestugs.nl

Dry bulk market officially in the "red" on lower cargo demand

The dry bulk market kept falling, on lower iron ore demand, which has caused the industry's benchmark, the BDI (Baltic Dry Index) to plunge to more than one-month lows, ending the session down to 1,859 points, or by 2.77%. All shipping segments were down yesterday, with the Capesize market sustaining the biggest losses by 3.23%. The Panamax market was down by 1.20%. According to the latest report from Shiptrade Services, after the previous weeks' steady increase, the market turned downwards with Capesizes suffering the most. Commenting on the Capesize market, it mentioned that "the week began positively, but lack of cargoes in the Pacific forced Owners to lower their levels, or start ballasting towards the Atlantic. Atlantic basin was active, with good cargo volume mostly coming ex Brazil. Rates for Transatlantic rounds concluded at USD 34.000 per day, while on the Fronthaul trade, rates for trips to F.East, levels concluded at USD 49.000 per day. On the Tubarao/Qingdao trade rates were fluctuating between USD 30.00 – 30.50 pmt but week's closing rates softened as an effect of the ballasters from the Pacific. Pacific basin was quiet due to the absence of the iron ore majors but Owners could see a few alternative cargoes ex S.Africa / W.Canada. Rates softened, and at weeks closing, rates for the Australia/China trade concluded at USD 11.00pmt, while on TCT basis, rates for Pacific round concluded at USD 25.000 per day basis N.China delivery" said Shiptrade.

The **STAR DELTA** seen eastbound in the Singapore Straits last Monday – **Photo : Piet Sinke ©**

In a separate report Fearnley's said that "after a relatively long period with improving rates, the Cape market experiences a correction mid last week. Rates kept dropping throughout this week, with West Australia/China being done just bellow usd 10 pmt. Tubarao/Qingdao was done last week around usd 32 pmt, the lowest done this week is just below usd 25 pmt. The drop in spot rates has resulted in less period activity with chrtrs aiming around mid teens, a level perceived to be of non interest to the owners. The rest of the week is remained to be quiet with Eisbein going on in Germany" said the report. On the Panamax front, the Nordic-based shipbroker it said "fair activity with mineral requirements in the North Atlantic from USEC and Baltic catering for healthy levels as market is tight for prompt loaders. Fixing levels in the 20´s for Baltic rounds, upper teens for TA rounds. Less activity and weakness in the USG and ECSA from an increasing number of ballasters appears from the Med and Far East. Levels for trip out hovering in the 26 + 600 range basis APS. In the Far East activity is low, tonnage lists grow, and rates are under downward pressure. NOPAC rounds 12500, period activity scant. The general sentiment is losing confidence from a slow and descending forward market" said Fearnley's.

Shiptrade Services mentioned that "Panamax rates dropped slightly since the cargo volume was not enough to cover the available tonnage. In the Atlantic basin, the USG market remained the driving force, especially for the Fronthaul cargoes with fixtures at USD 26.500+650.000 GBB basis APS USG. Rates for Transatlantic round remained at USD 17.500 - 18.000 per day. In the Pacific basin activity remained flat with many Charterers waiting for rates to drop further. At week's closing, rates for S.China/S.E.Asia positions interested for Indonesia round, concluded at USD 14.000 – 14.500 per day. Positions at N.china/Japan range interested for trips ex NOPAC could get USD 13-14.500 per day" said Shiptrade. On the Supramax trades the Piraeus-based shipbroker mentioned that "the market followed the same trend, with less cargoes and rates dropping. In the Atlantic basin, we could notice a decrease in the number of cargoes, but some areas were more attractive. In the USG region rates for trip to continent/East Mediterranean remained steady close to USD 30.000 per day, while for trips to F.East fixtures reported at USD 38.000 per day. On the Mediterranean/Bl.Sea market, rates for trips to F.East held around USD 24 - 25.000per day, while rates for trips to USG were between USD 9 -10.000per day. On the ECSA region, vessels concluded at rates close to USD 18-19.000per day + 400.000 ballast bonus basis APS ECSA delivery for trips to F.East, and for trips to Continent/Med rates concluded at USD 16-17.000per day. In the pacific basin, rates dropped, as there were not many cargoes from Indonesia, and many Charterers preferred not to move and see how the market will proceed. Some fixtures concluded to direction India but levels were fluctuating between USD 8.000 – 11.000per day. On the other hand, for the N.China positions, a few cargoes ex NOPAC remained an attractive solution at rates of USD 12.000per day (M/V **Prabhu Jivesh** 50956 / 02')" concluded the shipbroker. **Source : Nikos Roussanoglou, Hellenic Shipping News Worldwide**

Greenpeace **ESPERANZA** seen moored in Port Moresby – New Guinea
Photo : Max Brunet de Rochebrune ©

The Cypriot-flagged **SAMSKIP INNOVATOR** arriving for King George Hull on her regular service from Rotterdam.
Photo : Simon Smith ©

UN Agencies Unveil Ten Proposals to Safeguard the Oceans

The Blueprint for Ocean and Coastal Sustainability sounds the alarm about the health of the ocean, and explains how it influences our everyday life by regulating the climate, providing highly-nutritious food and by sustaining livelihoods and economies. It recalls that although the ocean accounts for 70 percent of the surface of our planet, only one percent of it is protected. Presented at UNESCO Headquarters during the 36th session of the General Conference, the Blueprint was prepared for consideration by the UN conference on sustainable development (Rio+20, June 2012).
It proposes a series of concrete measures to:

- Create a global blue carbon market as a means of creating direct economic gain through habitat protection;
- Fill governance gaps in the high seas, by reinforcing the UN Convention on the Law of the Sea
- Support the development of green economies in small island developing states
- Promote research on ocean acidification -how to adapt to it and mitigate it

- Increase institutional capacity for scientific monitoring of oceans and coastal areas
- Reform and reinforce regional ocean management organisations
- Promote responsible fisheries and aquaculture in a green economy
- Strengthen legal frameworks to address aquatic invasive species
- "Green" the nutrient economy to reduce ocean hypoxia and promote food security
- Enhance coordination, coherence and effectiveness of the UN system on ocean issues

The Blueprint was prepared by UNESCO's Intergovernmental Oceanographic Commission (IOC), the United Nations Development Programme (UNDP), the International Maritime Organization (IMO) and the Food and Agriculture Organization of the United Nations (FAO). It emphasizes that 60 percent of the world's major marine ecosystems have been degraded or are being used unsustainably, resulting in huge economic and social losses. Mangrove forests have lost 30 to 50 percent of their original cover in the last 50 years while coral reefs have lost 20 percent, increasing the vulnerability of many highly populated coastal areas. The ocean absorbs close to 26 percent of atmospheric carbon dioxide emissions which is provoking acidification that is already threatening some varieties of plankton and poses a threat to the entire marine food chain and dependent socio-economic activities. Some of these phenomena are not new but are aggravated by cumulative pressures such as climate change, intensified human activity and technological advances. Furthermore, ecosystems situated in the deep ocean, where biodiversity and habitats often have major value, but are generally not well understood, have virtually no protection at all. The international community pledged to tackle these challenges at the Summits of Rio (1992) and Johannesburg (2002). However the commitments made remain largely ineffectual and their objectives have not been met. Such has been the case for the pledge to restore fish stocks to sustainable levels by 2015, and the promise to create networks of protected marine areas by 2012. Few countries have adopted legislation to reduce land-based marine pollution, leading to an increase in the number of dead ocean areas. More than 400 marine areas have been listed as "biologically dead" to date. "The full implementation of many of these goals and targets will require further efforts by States, intergovernmental organizations and the international community," state the authors of the report. They claim the present situation is the result of insufficient political will and resources, inadequate institutional capacities, insufficient scientific data and market imbalances. "Greening the Blue Economy will be science and technology driven," they conclude. "But success will depend on sound policy processes and effective institutional arrangements and will therefore require commitment and funding from the international community as well as nations and industry." **Source: UN (United Nations)**

The **LOWLANDS SUNRISE** seen discharging in Ijmuiden – **Photo : Erwin Willemse (c)**

Cosco Singapore reports lower results for third quarter

The Group achieved net profit attributable to equity holders of $32.2 million on turnover of $969.8 million in Q3 2011. For the nine months ended 30 September 2011, Group net profit attributable to equity holders amounted to $101.1 million on turnover of $2.98 billion.

Group turnover increased 1.8% to $969.8 million in Q3 2011 from $952.7 million in Q3 2010 mainly due to higher revenue recognized from marine engineering projects despite lower dry bulk shipping and ship repair & conversion revenue. Turnover from shipyard operations increased 3.9% to $954.7 million in Q3 2011 from $918.7 million in Q3 2010. This was on the back of higher progressive revenue recognition for the Group's marine engineering projects despite lower revenue contribution from ship repair and conversion. The Group delivered 11 bulk carriers in Q3 2011. Of these, COSCO Guangdong shipyard delivered 2 bulk carriers, COSCO Dalian shipyard delivered 4 bulk carriers and COSCO Zhoushan shipyards delivered 5 bulk carriers each. In addition during the quarter, COSCO Nantong shipyard successfully delivered 2 shuttle tankers, following the delivery of the first shuttle tanker in March 2011. Turnover from dry bulk shipping and other businesses decreased 55.3% from $34.0 million in Q3 2010 to $15.2 million in Q3 2011 as the current short-term rates were significantly lower than the more favorable charter rates received in Q3 2010. The Baltic Dry Index (BDI), which is a measure of shipping costs for commodities, started the 3rd quarter 2011 at 1,422 points and ended the quarter slightly higher at 1,899 points. The average BDI for Q3 2011 was at 1,533 points which was a 34.8% decrease from the corresponding quarter average BDI in 2010 of 2,352 points. The Group's dry bulk shipping fleet stands at 10 after leases in respect of two charter-in Panamax vessels were not renewed upon expiration in the first quarter of 2011. Shipyard business remained the biggest revenue contributor, forming 98.4% of Group turnover in Q3 2011.

Above seen the brandnew **COSCO FAITH** on the anchorage off Hyundai Shipyard (Korea) **- Photo : Busiek ©**

Gross profit decreased 27.5% from $115.6 million in Q3 2010 to $83.8 million in Q3 2011 mainly due to lower dry bulk charter shipping income as a result of lower BDI and a smaller fleet of 10 bulk carriers, and lower profit contributions from shipyard operations. The lower profit contributions from shipyard operations is mainly due to the increase in expected losses recognized on construction contracts from offshore marine engineering projects of new product types as the Group incurs higher costs as it scales the "learning curve". In addition, the Group is impacted by the general increase in labor costs, prices of raw materials and costs of equipment. Other income comprised mainly gain from the disposal of scrap metal, interest income, net currency exchange gain, net fair value gain on forward currency contracts and compensation received from customers. Compared to Q3 2010, other income increased by 73.3% to $70.1 million in Q3 2011 mainly due to higher interest income from bank deposits, an increase in currency exchange gain and compensation received from customers. Distribution costs rose 83.0% in line with new orders secured and the rising cost environment. The 47.2% increase in administrative costs to $55.8 million was mainly due to less reversal of impairment of trade and other receivables of $0.5 million in Q3 2011 as compared to $6.9 million in Q3 2010 and allowance for inventory write-down. The allowance for inventory write-down of $14.6 million in Q3 2011 was mainly due to the continuation of work on a cancelled shipbuilding contract for which construction of the vessel had already been in progress (and for which the net compensation received from the customer of $15.2 million has been included in other income). Interest expense increased by 31.6% to $13.3 million in Q3 2011 mainly due to additional bank borrowings to fund shipyard operations. The decrease in income tax expense by 8.7% to $14.9 million was mainly due to lower profit contributions from shipyard operations. Overall, net profit attributable to equity holders of the Company decreased 41.6% from $55.1 million in Q3 2010 to $32.2 million in Q3 2011 due to lower profit contributions from dry bulk shipping and shipyard operations. Compared to the first nine months in 2010, net profit attributable to equity holders of the Company decreased 34.8% from $155.2 million to $101.1 million in the first nine months of 2011.

Balance Sheet and Cash Flow (30 September 2011 vs 31 December 2010) : Cash and cash equivalents increased from $867.2 million to $1.4 billion mainly due to net cash provided by more bank borrowings procured to finance shipyard operating activities. Please refer to note 1(c) Cash Flow Statement for more details. Trade and other receivables remained relatively unchanged at $1.9 billion. Advances paid to suppliers also remained almost unchanged (from $858.8 million to $864.6 million). Property, plant & equipment increased by $122.6 million to $2.3 billion mainly due to expansion in shipyard facilities. Trade and other payables decreased $97.0 million to $3.0 billion mainly due to decrease in advances received from customers (from $1.2 billion to $926.5 million). Total borrowings increased from $992.2 million to $1.7 billion due to additional funding procured for business operations. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months. As at 30 September 2011, the Group's order book stood at US$6.4 billion with progressive deliveries up to first half 2014. This order book is subject to revision from any new orders or cancellation of orders that may arise. New orders received in first nine months 2011 amounting to US$1.9 billion includes 4 special purpose carriers, 3 self erecting tender drilling rigs, 2 jack-up drilling rigs, 2 Sevan 650 drilling units, 1 semisubmersible barge and 1 Octabuoy topside module. With the successful deliveries of 11 vessels in Q3 2011, the Group delivered in the first nine months of 2011 a total of 28 bulk carriers, 1 windmill turbine installation vessel, 3 shuttle tankers and 2 (5,000 units) car carriers. The Group will continue to focus on deliveries while it upgrades its shipyard capabilities and efficiencies and control costs.

The Chinese flagged COSCO bulk carrier **Deng Zhou Hai** sailing for a Chinese port after loading coal at Lyttelton.
Photo : Alan Calvert ©

The Group maintains a cautious outlook for the rest of 2011 as the global economy remains fragile with growing concerns over the sovereign-debt crisis in Europe and its possible impact on the global economy. In the face of global economic uncertainties, the Group's customers may be reluctant to commit new orders for vessels in the short term and may exert even greater pressure on the prices of new vessels. The gradual appreciation of the Chinese Yuan against the United States Dollar (USD), rising interest rates in China, and a potential rise in wages exacerbated by a labor crunch in China, coupled with increases in prices of raw materials collectively may significantly compromise operating margins of the Group's shipyard operations.
As the Group commences construction in 2011 on new ship building contracts that were secured in 2010 at relatively lower contract value (due to the slumping bulk carrier shipping market) compared to those secured in 2008 and 2009, the Group expects the operating margins on new shipbuilding projects to be under even greater pressure notwithstanding improving gains in productivity. However, as a relatively new entrant, the Group expects to incur higher costs as it scales the "learning curve" in its offshore marine engineering projects on new product types. Progressively, the Group will gather expertise and capabilities to reach out to a broader customer base, laying a firmer foundation for long-term sustainable growth in the offshore and marine engineering operations. The BDI started the

year 2011 at 1,693 points and ended 30 September 2011 at 1,899 points after reaching a two-year low of 1,043 points in February 2011. The first nine months 2011 average BDI was at 1,427 points which is a 50.5% decrease from the corresponding period average BDI in 2010 of 2,885 points. Any rebound in BDI may remain subdued as expansion in the global bulk carrier fleet is expected to outpace demand. The Group continues to leverage on the strength of its diversified business to remain competitive and fortifies its strategic market position. Barring unforeseen circumstances, the Group expects to remain profitable in 2011. **Source: Cosco Singapore**

In Singapore the **POSH VOYAGER** was renamed in **CABALLO SCARTO** and seen preparing for her voyage going to Cuidad del Carmen, Mexico on a long term contract. **Photo : CM / DPO Toni Amor ©**

Tidewater reports a red ink quarter

Offshore service vessel giant Tidewater Inc. reported a second quarter net loss for the period ended September 30, 2011, of $4.9 million, or $0.09 per share, on revenues of $250.9 million. For the same quarter last year, net earnings were $19.4 million, or $0.38 per share, on revenues of $267.1 million. The immediately preceding quarter ended June 30, 2011, had net earnings of $24.6 million, or $0.48 per common share, on revenues of $254.6 million.

The second quarter net loss includes a non-cash goodwill impairment charge of $30.9 million ($22.1 million after tax, or $0.43 per share), resulting from the company's decision to change its reportable segments during the September 2011 quarter. Following the change in reportable segments from International and United States to Americas, Asia/Pacific, Middle East/North Africa and Sub-Saharan Africa/Europe, the company performed an interim goodwill impairment assessment which resulted in the non-cash goodwill impairment charge.

Included in the prior fiscal year's net earnings for the quarter ended September 30, 2010, was a $4.35 million ($4.35 million after-tax, or $0.09 per common share) charge included in general and administrative expenses related to the settlement with the United States Department of Justice to resolve the previously disclosed Foreign Corrupt Practices Act investigation.

The **NETHERLAND TIDE – Photo : R&F van der Hoek – LEKKO ©**

As it previously announced, Tidewater has been working with Saudi Aramco to resolve certain performance standards issues that were identified with respect to nine newbuild vessels previously committed to multi-year charters with Saudi Aramco. Tidewater says that one of these vessels is now on hire with Saudi Aramco and other vessels continue with inspections associated with the on-hire process. The company has worked out an arrangement to use Tidewater substitute vessels for four of the remaining eight newbuild vessels, as necessary, until their construction is completed and they become available. Saudi Aramco has declined to accept the remaining four vessels of the nine-vessel package, and they will be redeployed by Tidewater in other operations outside Saudi Arabia.

While Saudi Aramco has not indicated whether it will seek additional remedies with respect to these four vessels, Tidewater says is pleased to have come to an acceptable resolution with respect to five of nine vessels and is focused on continuing to develop this important new relationship. The agreement with Saudi Aramco in regards to the five-vessel package includes dayrate discounts related to late delivery for a period of time. At this time, Tidewater believes that discounts with respect to these vessels will total approximately $1.5-$2.0 million and will be recognized as lower vessel revenue than was originally anticipated, spread over the next several quarters.

Tidewater Inc. owns 350 vessels, the world's largest fleet of vessels serving the global offshore energy industry
Source : MarineLog

Alarm sounded over exploding reefers

Hundreds of refrigerated containers have been quarantined in various locations around the world following reports of compressor explosions and incidents of spontaneous combustion that have resulted in at least three fatalities. The alarm was raised by Maersk Line on 18 October when it informed the World Shipping Council's Safe Transport of Containers Working Group that it had recently experienced three cases in which refrigeration units had exploded for no apparent reason.

While the precise causes of the explosions are still under investigation, Maersk said it had ascertained that all three refrigeration units involved had received gas repairs in Vietnam between late March and late April and advised other lines that had had similar gas repairs or maintenance to refrigeration units in Vietnam to identify and investigate those units. Observers say all the major reefer machinery brands - Carrier, Daikin, Thermo King and Star Cool - are potentially affected by what is suspected to be the introduction of contaminated or otherwise unsuitable refrigerant gas into the system that causes a chemical reaction when it comes into contact with R134a, oil or air, creating a flammable/explosive mixture. At least two Carrier ThinLINE and one Star Cool unit are reported to have suffered compressor ruptures in separate incidents in Brazil, China and Vietnam, while refrigerant gas from a Daikin LXE10E unit is said to have spontaneously combusted when exposed to air. On 21 October, Carrier Transicold, the world's biggest reefer container machinery manufacturer, sent an urgent safety bulletin to all its authorised service centres reporting that four reefer units are now known to have experienced compressor ruptures.

Carrier said Maersk, CMA CGM, Hapag-Lloyd and others had identified at least 900 refrigeration units that they suspect may contain contaminated refrigerant and have quarantined those units. As part of the quarantine, Maersk has given instructions to cross stuff cargo where possible, unplug the suspect reefers and store them in an isolated location with the machinery units facing away from people or traffic or stacked with the units facing each other. Carrier advised its service centres to contact reefer customers and request that they immediately implement a reefer quarantine policy that follows the Maersk guidelines for units that have had refrigeration system work performed in Vietnam during 2011. It also recommended that no work be carried out on any reefer unit until the reefer owner or lessee could provide service records verifying that the reefer did not have any refrigeration system service work completed in Vietnam during 2011.

New 21 metre Steel Pilot Boat

Loodswezen, the Dutch Pilots Association, has contracted Camarc to design a 21m Steel pilot boat. This pilot boat will be to full BV Class with an Ice Class notation for the slush ice conditions in which it operates during the winter months.

Crews face rotting cargo on stuck New Zealand ship

November 02, 2011|Associated PressShareE-mailPrintNoxious fumes from the rotting cargo aboard a ship marooned on a New Zealand reef pose the latest obstacle to salvage crews trying to remove oil. The ship **Rena** this week survived stormy weather as experts anxiously waited to see if the badly damaged vessel would split in two. But now that the sea has calmed enough to allow crews back on board, they are facing a stink. Maritime New Zealand said in a statement Thursday that environmental officers are on board to assess the fumes from 121 containers holding perishable food which the agency said started to decompose "some time ago.''

CASUALTY REPORTING

The **MED ARCTIC** seen enroute Amsterdam at last during twilight. The troublesome tanker encountered engine problems and caused some damage to a door of the Middle-lock IJmuiden. **Photo : Joop Marechal (c)**

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NAVY NEWS

Russian Navy orders two Diesel-Electric Submarines SSK from Sevmash shipyard

According to ITAR-TASS quoting first deputy general director of "Sevmash" Michael Budnichenko, pre-production will begin in January, and by March 2012 the company will proceed directly to the construction of the SSK of unspecified type (most likely improved Kilo Class) Michael Budnichenko also pointed out that Rosoboronexport is negotiating with potential foreign customers to build several submarines of Project 636 at the Svemash shipyard.

Sevmash specializes in the construction of nuclear submarines for the Russian Navy. However, the company has experience with modern diesel-electric submarines. In 2005, Severodvinsk shipbuilders built for the Chinese Navy two Project 636 submarine improved version of the Project 877 submarine. These submarines have a length of 73.8 m, width of 9,9 m, submerged speed of 20 knots and maximum immersion depth of 300 m. **Source : navyrecognition**

SHIPYARD NEWS

Fire on board aircraft carrier at Rosyth dockyard

Forty firefighters battled the blaze which broke out in stairwell of the hull of the Queen Elizabeth class carrier.

Around 40 firefighters fought a blaze on a section of aircraft carrier at a dockyard in Rosyth. The fire broke out in the stairwell of the 8000 tonne hull of the **Queen Elizabeth** class carrier at around 2.30pm. Seven fire engines were sent to the scene along with a command and control centre. Smoke was bellowing through the many compartments of the hull and firefighters had to check each one for flames. Crews said the fire caused "very limited damage but lots of smoke".

Althought the flames of the "small fire" were put out within an hour, firefighters remained to check the rest of the hull.

Station manager David Wishart said: "We have been working very hard in the last two to three months with Babcock, the MoD and the security staff at Rosyth to deal with a fire like this. We have a very straightforward procedure in place and today it worked perfectly. I'm very pleased that it went so well. "It was a small fire in one of the compartments eight decks down from what will be the flight deck. There was a bit of smoke but there was very limited damage."

No one has been hurt or had to be rescued from the blaze. The Queen Elizabeth-class has been described by officials as a "hugely important" project for the Ministry of Defence and the UK's shipbuilding industry. The project involves the building of two new aircraft carriers for the Royal Navy, to be named **HMS Queen Elizabeth** and **HMS Prince Of Wales.**

They are due to enter service in 2014 and 2016 respectively, according to the Royal Navy website. It is said that the carriers will be the "biggest and most powerful" surface warships ever constructed for the Navy. The blaze affected a section of the **HMS Queen Elizabeth.**

Work on the **Queen Elizabeth Class** project - which is said to be worth billions of pounds to the Scottish economy and will create and sustain thousands of jobs - officially started in September. The vessels are said to be the foundation of Britain's ability to project military power overseas and will be used for operations ranging from providing air support in conflict zones to humanitarian aid and disaster relief. They are being delivered by the Aircraft Carrier Alliance (ACA), made up of the Ministry of Defence (MoD), Babcock, BAE Systems and Thales. Each carrier will have nine decks, a flight deck the size of three football pitches, and two propellers weighing 33 tonnes, almost two-and-a-half times as heavy as a double-decker bus, which will drive the ship at a maximum speed of more than 25 knots. The section is part of the new aircraft carriers which will be the centrepiece of Britain's military capability once they are in service. Each 65,000 tonne vessel will provide the Armed Forces with a four acre military base which can be deployed worldwide. They will be versatile enough to be used for operations ranging from supporting war efforts to providing humanitarian aid and disaster relief and each will operate 12 Joint Strike Fighter jets. **Source : STV**

CASSAR SHIPYARD TO REPAIR LUXURY VESSELS

Cassar Ship Repair on Wednesday 2nd November, 2011 morning announced it had opened its market to the repair of luxury vessels. The first cruise liner to be repaired at **Cassar Shipyards** was the 90-metre **Le Ponant**, which arrived in Malta last Friday 28th November, 2011.

Docking the vessel was quite a feat as the ship necessitates a very particular docking arrangement due to her special hull configuration. "Thanks to our new marketing strategy adopted in this past year, Cassar Ship Repair has attracted the cruise liner market and luxury vessels apart from the conventional ships and afloat repairs thanks to our existing floating dock," the company said. It said that the repair contract for **Le Ponant** was won by the company against competing countries, including Greece, Italy and France, as well as local competitors. **Le Ponant** forms part of the Compagne du Ponant which is part of the worldwide group of CMA CGM of France. **Photo : Cpt. Lawrence Dalli - www.maltashipphotos.com ©**

Zaliv Shipyard delivers seismic research vessel to Ulstein ahead of schedule

Ukraine-based Zaliv Shipyard has completed and delivered to the customer, Norwegian company Ulstein, 3D Seismic Survey Vessel Polarcus Adira, the shipbuilder said. The Polarcus Adira is the seventh vessel built by Zaliv Shipyard in cooperation with Ulstein. The vessel, which has more than 2,000 tons in weight features innovative Ulstain X-Bow hull.

In the near future, the shipbuilding firm plans to finalize the next offshore project. The company said that it has been in talks for more newbuilds contracts.

Kerch-based Zaliv Shipyard (Crimea, Ukraine) is part of the group of AvtoKrAZ's affiliated companies. Zaliv Shipyard specializes in the construction of tankers and container ships, repairs ships of various tonnage and destination. Private Limited Company Forth Asset (UK) owns a 37.94% stake of the shipyard. **Source : PortNews**

ROUTE, PORTS & SERVICES

The Dockwise **TEAL** seen with her cargo leaving Singapore Anchorage. - **Photo : CM / DPO Toni Amor ©**

Vafias introduces latest vessels

Harry Vafias has added a further two vessels to his group's portfolio this past month, the Greek owner has confirmed. Delivered by Daewoo Shipbuilding & Marine Engineering Co (DSME), the **STEALTH SKYROS** is a new generation, 116,000dwt prototype crude aframax tanker with fuel efficient engine and environmental upgrades. The vessel is to begin a lengthy charter to American Eagle Tankers (AET). The second vessel, the **GAS MYTH** is a 5000cbm pressurised LPG/VCM carrier built in Japan of s similar type to other 5000cbm gas carriers built for both Stealth Maritime and StealthGas in the past. The ship will fly the Liberian flag and is due to begin a medium term charter tor a European oil company. Following these latest deliveries, the Vafias Group of companies controls a fleet of 60 ships consisting of 37 gas carriers, 21 tankers and two bulkers. **Source: Shipmanagement International**

Frontline to Sell Three Crude Oil Tankers, CEO Jens Martin Jensen Says

Frontline Ltd., the oil tanker operator led by Norway-born billionaire John Fredriksen, said it's looking to sell three more 1990s-built ships as the company modernizes its fleet while earnings plunge. The **Front Alfa**, **Front Beta** and **Front Delta,** all built in 1992 or 1993 and capable of hauling 1 million barrels of crude, are on the market, Jens Martin

Jensen, Singapore-based chief executive officer of the company's management unit, said by phone today. Hamilton, Bermuda-based Frontline said Oct. 31 that it agreed to sell the Front Hunter, another suezmax-class vessel that was built in 1996, to VTN Shipping Group, at a loss of $29.6 million. The company said on Oct. 20 it would lose $36.3 million on the sale of the Front Fighter and the Front Striver, built in 1994 and 1992 respectively. "If you get a good price, everything is for sale," Inger Marie Klemp, Frontline's chief financial officer, said by phone today from Oslo. She said Oct. 31 that the company had no more ships for sale, while declining to comment on the possibility of future sales. Sale prices for the **Front Hunter, Front Fighter** and **Front Striver** weren't disclosed. The ships fetched prices just above scrap values, Erik Nikolai Stavseth, an analyst at Oslo-based Arctic Securities ASA, estimated. Klemp declined to comment. "They're doing some housecleaning," Stavseth, who recommends selling Frontline shares, said by phone today. "Let's face it, they need to be cutting costs wherever they can." Earnings for the vessels have fallen 56 percent this year, according to the Baltic Exchange, the London-based publisher of shipping costs. Returns have declined as the global fleet of crude tankers expands faster than seaborne trade in oil. **Source: Bloomberg**

CMA CGM ALASKA COMPLETED REPAIRS

The **CMA CGM ALASKA** completed the repairs at the **Keppel-Verolme yard** in Rotterdam-Botlek and was shifted back to Rotterdam-Europoort the resume her service **Photo top : Jan Oosterboer ©**

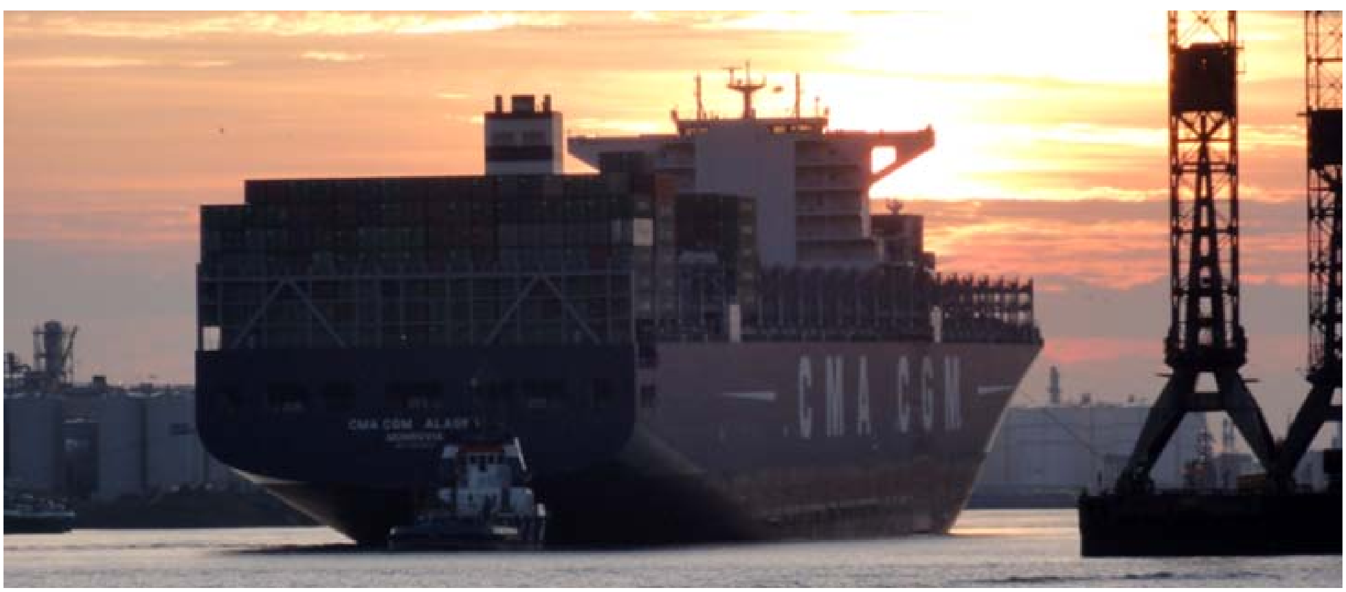

Photo : Stephan Grol ©

The light icebreaker and navigation aids tender Ex **CCGS Tupper** being scrapped in Marie Joseph, Nova Scotia. As seen 2 November 2011. The last name on the vessel from 2002 was **Caruso. - Photo : John Attersley (c)**

Alfa Laval Benelux and Leemberg Piping and Machine Construction sign PureBallast Installation Partner Agreement

Alfa Laval – a world leader in heat transfer, centrifugal separation and fluid handling has appointed Leemberg Piping and Machine Construction as a PureBallast Installation Partner for the Benelux region. The agreement runs over a three-year period. By the establishment of this new partnership, Leemberg has become an official Alfa Laval subcontractor for PureBallast installation services. “Alfa Laval and Leemberg are a perfect fit. By combining Alfa Laval technology and Leemberg’s installation expertise, our customers will benefit from an extended service range that will support them to comply with the new IMO regulations. “I am convinced that our partnership with Leemberg will help us to further strenghten our position as a total solution provider for the Marine industry” says Thijs Peddemors, Managing Director of Alfa Laval Benelux. As a preferred partner, Leemberg will perform all services with regard to Alfa Laval’s ballast water treatment sytem PureBallast, ranging from audits, engineering, drawings, module building and installation.

PureBallast, Alfa Laval’s unique and chemical-free sytem for ballast water treatment is the market leading solution to one of today’s most critical environmental issues: the introduction of invasive marine species into new environments via ballast water. PureBallast involves no environmental or operational compromises. Using a unique, chemical-free technology, PureBallast produces radicals that neutralize organisms in ballast water. PureBallast has received full Ballast Water Type Approval from DNV. which confirms that PureBallast complies in full with pending ballast water treatment legislation from the International Maritime Organization (IMO). The legislation based on the International Convention for the Control and Management of Ships Ballast Water & Sediments requires that in the near future all ships need to have installed a regulatory ballast water treatment system on board.

The **REM COMMANDER** seen in the Norwegian Trondheimfjord – **Photo : Ton Nahuijsen (c)**

The **STX Bona** seen loading coal at Robert's Bank coal port, Delta B.C. Oct. 31, 2011 - **Photo : Barry Shannon ©**

Danaos Receives New Ship, Charters to CMA CGM

8,530 TEU vessel chartered to CMA CGM for 12 years

Danaos said it took delivery last month of the **CMA CGM Bianca**, a new containerships with a capacity of 8,530 20-foot equivalent units. The new ship started on its 12-year time charter with CMA CGM at a fixed charter rate immediately upon delivery. The ship, which was built in China by Shanghai Jiangnan Changxing Heavy Industry, brings the Danaos's fleet of charter vessels to a total of 58 containerships totaling 282,619 TEUs. The **CMA CGM Bianca** is 1,099 feet, 140 feet wide and has a speed of 25.80 knots. **Source : The Journal of Commerce Online**

GEOPOTES 15 WORKING IN HARSH CONDITIONS

The Northern Light seen from the TSHD **GEOPOTES 15** which is at present operating in Baydaradskaya Bay, Rusland (east of Nova Zembla) in temperatures of -17 degrees !
Photo's : Crew Geopotes 15 (c) below : Arjen Costerus (c)

SapuraCrest secures US$1.4b Petrobras contract

SapuraCrest Petroleum Bhd has secured a massive US$1.4 billion (RM4.35 billion) contract from Petróleo Brasileiro SA (Petrobras) for the charter and operations of three pipe-laying support vessels (PLSV), the single-largest contract by value that the group has won in recent years, Theedgemalaysia reports. In an announcement to Bursa Malaysia yesterday, SapuraCrest said the contract is expected to generate revenue for the group by the fourth quarter of 2014.

It is also anticipated to "contribute positively" to the group's earnings and net assets for the financial year ending Jan 31, 2015 and beyond, SapuraCrest said. SapuraCrest said its wholly-owned subsidiary TL Offshore Sdn Bhd will construct two PLSVs outside Brazil and the other will be built in Brazil. TL Offshore will be tasked with project management, procedures and operations of the PLSVs for Petrobas. The vessels will be deployed to perform oil and gas (O&G) marine construction projects in Brazilian waters. SapuraCrest executive vice-chairman and president Datuk Seri Shahril Shamsuddin said in a statement the group's entry into the Brazilian market is part of its long-term global expansion strategy. “This contract is a significant milestone as it marks our entry into the vast, dynamic yet technologically challenging O&G market in Brazil. It is a definitive acknowledgement of SapuraCrest as a global player,” Shahril said. Petrobras is a public-listed company in which the Brazilian government holds a majority stake. The mega award comes in the midst of SapuraCrest’s merger with Kencana Petroleum Bhd via Integral Key Sdn Bhd, a special purpose vehicle established by Mayban Ventures Sdn Bhd. Announced on July 11, the proposed merger values SapuraCrest at RM5.87 billion and Kencana at RM5.98 billion, with shareholders of the respective companies to get cash and Integral Key shares if they choose to accept the offer. The merged entity will create the world’s fourth-largest integrated O&G services provider. While the latest US$1.4 billion award provides a big boost to SapuraCrest’s future earnings, industry observers have raised questions if Mayban Ventures’ proposed merger of SapuraCrest and Kencana has undervalued SapuraCrest.

“Although the terms of the merger would more or less be fixed, it is debatable whether the deal gives enough weight to SapuraCrest’s tender book and future earnings potential,” said one industry observer. Since the proposed merger was unveiled on July 11, SapuraCrest has secured several contracts with a combined value of RM5.16 billion. To recap, SapuraCrest’s 50%-owned associate, Labuan Shipyard and Engineering Sdn Bhd, on Sept 30 was awarded a RM99.5 million shipbuilding contract from Tanjung Offshore Bhd. On Sept 22, SapuraCrest’s unit TL Offshore was also awarded a US$227 million contract to construct two pipelay cum heavylift offshore construction vessels for Cosco Nantong Shipyard Co Ltd. Kencana has yet to announce any new contract secured since July when the proposed merger with SapuraCrest was announced. Earlier this year before the merger deal was struck, Kencana’s unit, Kencana HL Sdn Bhd, was given contracts worth over RM539 million.

These included a RM115 million contract from Petrofac E&C Sdn Bhd to construct a mobile offshore production unit and well head support structure for the Sepat early production system off the coast of Terengganu and a RM208 million job for the fabrication of a Kebabangan substructure for the Kebabangan northern hub development project off the coast of Sabah. Kencana HL had in March also won a RM216 million contract from Petrofac Ltd for the engineering, procurement and construction of two well head platforms for the Cendor oil field off the coast of Terengganu. Kencana’s wholly-owned subsidiary, Kencana Energy Sdn Bhd, had on Jan 31 entered into contracts to jointly develop and operate an oil and gas field from the Berantai field offshore Terengganu. SapuraCrest yesterday shed six sen to close at RM4.00 with 543,000 shares traded. The stock surged 8.18% to RM4.10 on Oct 27 from RM3.79 on Oct 25, its steepest one-day gain in six months. **Source : PortNews**

CUMMINS TO INTRODUCE QSK95 MARINE ENGINE WITH 4000 HORSEPOWER

Designed Ready to Meet EPA Low-Emissions in 2014

Most Powerful High-Speed Diesel Will Challenge Medium-Speed Engines

Cummins Inc. a leading manufacturer of diesel engines for the commercial marine industry, will introduce the new QSK95 engine with 4000 hp (2983 kW) output as the most powerful high-speed diesel configured for marine propulsion and auxiliary generator sets. The 95-liter, 16-cylinder engine, revealed today at the Seymour Engine Plant, is designed ready to meet EPA Tier 4 low-emissions regulations taking effect in 2014. “The QSK95 will allow Cummins to meet our customers' growing power requirements, while meeting increasingly more stringent global emissions," said Jenny Bush, General Manager – Cummins Commercial Marine Business. "It also strengthens Cummins position as a global player in the commercial marine industry by allowing us to enter new market segments." The QSK95 offers flexibility in power configurations for propulsion, auxiliary, genset and diesel electric applications, and with ratings from 3200 hp to 4000 hp (2386-2983 kW), the QSK95 provides an ideal solution for high-hour, hardworking vessels such as tugs, inland waterway towboats, offshore support vessels, passenger transport, dredges, short sea cargo and coastal tankers.

While achieving a power output previously exclusive to medium-speed marine engines, the QSK95 brings the advantage of a lower capital cost, a more compact installation and exceptional fuel efficiency. Extended service and more cost-effective rebuilds add a further economic advantage. The QSK95 is easily integrated with Cummins C Command Elite Premium and Elite Plus class-approved panels. C Command instrument panels include a selection of monitoring and display options to help operators protect and enhance engine operations and manage operating costs by logging critical operating parameters such as engine load, duty cycle, speed and fuel consumption, while providing diagnostic and prognostic capabilities. A common point of connection in the customer interface box simplifies the link between engine electronics and vessel systems.

The QSK95 meets IMO Tier II and EPA Tier 3 emissions standards with highly efficient fuel injection and clean combustion. For highly emissions-regulated areas around the world, the QSK95 will lead the way forward for 4000 hp (2983 kW) marine engines to achieve EPA Tier 4 emissions using Cummins own exhaust aftertreatment systems. This uniquely integrated solution will offer more efficient packaging and will reduce space constraints. The QSK95 has been engineered for environmental stewardship, meeting Green Passport requirements for zero disposal impact. Further, the Cummins ELIMINATOR™ oil filtration system eliminates the need for lube oil filters, while on-engine fuel filter replacement cartridges make for more cost-effective maintenance and disposal.

Customers can feel confident knowing that the teams working on QSK95 projects bring with them years of commercial marine experience. "With countless successful globally coordinated projects to our credit, the technical teams assigned to QSK95 marine projects will work closely with the customer, shipyard and naval architect to ensure long-term benefit," said Geoff Conrad, QSK95 Account Executive – Cummins Commercial Marine Business. "We are looking forward to working with our current and prospective customers on QSK95 opportunities and projects."

International Crew Services to acquire 7Seas Project Services

International Crew Services and **7Seas Project Services B.V.** have entered into a definitive agreement under which International Crew Services, a leading provider of Maritime personnel, will acquire 7Seas Project Services, a Dutch personnel provider for international operating jack-up rigs. 7Seas Project Services B.V. was established in 2007, primarily to meet the growing demand for (offshore) projects and crew manning for jack-up rigs in the oilfield and wind turbine industry.

The purchase of **7Seas Project Services B.V**. further increases International Crew Services' share in the maritime and offshore market and is expected to result in greater efficiencies. International Crew Services will use 7Seas Project Services B.V. existing network and knowledge to provide experienced and qualified personnel to customers and prospects. The acquisition is an opportunity to provide customers broader and more comprehensive offerings.

7Seas Project Services B.V., which will be renamed to **7Seas Renewable Energy B.V.,** will hold office at the same premises as **International Crew Services** in Capelle aan den IJssel. Jan Theeuwsen and Daniëlle Stangenberger will remain working for 7Seas Renewable Energy B.V. to assure the current level of services. The companies presently employ over 600 crews.

International Crew Services and **7Seas Renewable Energy B.V**. are both present at the Europort 2011 exhibition at booth no 4302, to be held at Ahoy Rotterdam from 8 till 11 November 2011.

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Rio Tinto set to double fleet

More bad news for dry bulk owners came from Bloomberg with news that Rio Tinto Group, the world's second-largest mining company, will almost double the amount of commodities shipped on vessels it owns or hires to get iron ore and coal. Rio Tinto is set to ship 300m tons a year by 2015, up from 155m tons in 2010. Shipments on vessels it operates may rise to between 60 percent and 70 percent of commodities sold within five to seven years from less than half now, Rio Tinto said. Dry bulk shipping is having to come to terms with another mining giant, Vale, building up a huge fleet of very large ore carriers with the first slew delivering this year. **Source : Seatrade Asia**

…. PHOTO OF THE DAY …..

Derrick Barge **Superior Pride** (800tons SWL derrick and Accommodation for 300 persons) under refit **by Elgin Brown and Hamer** Durban South Africa.
Photo : via Willem Kruk - Elgin Brown and Hamer (pty) Ltd

B O O K R E V I E W

Door : Frank NEYTS

"Coasters of South Wales".

Coastal Shipping recently published "Coasters of South Wales" by Bernard McCall. This volume looks at ports between Swansea in the west and Chepstow in the east. The industrial revolution saw a huge and rapid expansion of ports in

this area, thanks largely to the insatiable appetite for coal and metals which could be supplied in abundance from South Wales. The latter half of the twentieth century saw an inexorable decline in the area's coal production and heavy industry with the inevitable result that large sections of port areas have declined in maritime importance. The last two decades have seen many of these dockland areas being redeveloped for commercial, residential and leisure uses. Many of the photographs have been selected because they illustrate the changing scene in traditional port areas. The purpose of this series of books has been to put the featured ships in a geographical and historical context. Included are as many views as possible of unfamiliar wharves and jetties, especially those on the River Neath and River Usk which have been very much neglected by photographers over the years. The desire to include as much material as possible in order to illustrate the many relatively recent changes in port landscapes has meant that this is the first book in this series to have 96 pages instead of the usual 80. This book will appeal to all ship lovers. Strongly recommended!
"**Coasters of South Wales**" (ISBN 978-1-902953-56-4) is a hardback book of 96 pages. The price is £17.50, exclusive P&P. Ordering via the bookshop, or directly via the publisher, Coastal Shipping, 400 Nore Road, Portishead, Bristol BS20 8EZ, UK. Tel/Fax: +44(0)1275.846178, www.coastalshipping.co.uk