Number 292 *** COLLECTION OF MARITIME PRESS CLIPPINGS *** Sunday 19-10-2014
News reports received from readers and Internet News articles copied from various news sites.

- Weather dependent lashing
- Condition monitoring
- Workability forecasts
- 24/7 Emergency response
- Environmental monitoring & forecasts

Solutions in Motion

info@sirimarine.nl | www.sirimarine.nl | +31(0) 596 620 997

The cranebarge SK 2000 arriving at Lundin Bertam location for topside installation
Photo: Capt. Jelle de Vries - Sunshine Marine Services ©
EVENTS, INCIDENTS & OPERATIONS

The tug SMIT SANDON assisting the CAROLINE ESSBERGER in Birkenhead (UK)

Photo: Martin van Leest www.rotterdamoffshore.com ©

Euronav expecting bumper Q4 as Q3 loss narrows

Expanding tanker owner Euronav has reported a $20.6m loss for the third quarter, improving on a $27.1m loss in the same period last year. The company’s EBITDA more than doubled from $16.6m in Q3 2013 to $36.6m in the third quarter this year. The company’s FSO division made an $8m profit in the three month period, but those gains were wiped by a $28.8m loss from the main tanker business. The result brings Euronav’s year to date loss to $41.8m, and the losses for its tanker division to $64m for the first nine months. Average spot rates were up to $25,000 per day from $14,000 per day in Q3 2013, with suezmax rates up from $17,000 per day to $22,750 per day between the same periods. “Compared with the third quarter last year VLCC earnings are up 80% for the third quarter,” the company stated in its earnings release. “The outlook for the seasonally stronger fourth quarter is looking stronger than in the
last four years: the fleet growth is minimal and the average distance over which cargoes need to be transported by ships is increasing." Lower oil prices are also keeping voyage expenses down while stimulating demand for crude, and the value of ships is rising as market prospects improve. During the quarter the company took delivery of six ships from its acquisition of the Maersk VLCC fleet. The final ship from the Maersk deal, the 15th, was delivered in early October. Earlier this week, Euronav announced that it was postponing its IPO on the New York Stock Exchange due to unfavourable capital market conditions. **Source: seatrade**

Dockwise **TRUSTEE** at the outer anchorage of Port of Trincomalee, Sri Lanka, where the semi submersible heavy lift vessel MV **TRUSTEE** completed her loading of the Jack up Rig **HERCULES TRIUMPH** Photo: Ruwan Brito - Equity Services Ltd ©

**BTP assumes lead in Santos port container handling**

After years of one container terminal — Santos Brasil’s Tecon Santos — dominating the market at the Port of Santos, Brazil’s leading port has a new leader in containers. Brasil Terminal Portuaria, or BTP, which opened for business just over a year ago, handled around 69,000 containers in the month of September, nudging ahead of long-time market leader Tecon Santos, which handled only 62,000 in September.

Figures released to JOC.com by a source in the Brazilian port show that Embraport, the other new kid on the block, is also making rapid strides toward becoming a key player in the Santos container-handling market, handling around 30,000 containers in September and moving into third place, ahead of the long-established Libra Terminais, the operator of Terminal 35 and Terminal 37.

These are unofficial figures, but Codesp, the Santos port authority, is likely to confirm them, give or take a few hundred containers either way, over the next few weeks. Alan Lear, commercial manager for BTP, a joint venture between APMT and Terminal Investment Ltd., an affiliate of Mediterranean Shipping Co., said his own figures, also provisional, suggest the same surpassing of Tecon Santos. “We are obviously delighted with the progress we have made since opening for business just over a year ago. To achieve these figures in this short time is, I believe, very impressive,” Lear said. It is all the more noteworthy when it’s considered that as recently as the March to May period, BTP was handling just 17,000 to 20,000 containers per month because of draft restrictions. But then the switch of a number of services to the BTP facility plus a greatly enhanced draft saw throughput rocket upward. For example, in August, the Maersk Line Samba service that connects northern Europe to the River Plate started calling at BTP with
two calls per week, one northbound and one southbound, and that coincided with a deeper official draft being sanctioned by the Port Captain and Brazilian Navy.

Being able to berth vessels such as the Maersk Lanco and Maersk Lins, each with 8,600 TEUs in capacity, was only possible after approval of new depths for Section 4 of the navigation channel of the Port of Santos. This meant that since the beginning of July, the draft has been officially passed at 12.6 meters (41.3 feet) for low tide and 13.6 meters (44.6 feet) for high tide, allowing in vessels with an average capacity of more than 7,000 TEUs. Previously, according to Lear, vessels departing from BTP were under-laden because of the draft restrictions. “The new authorized depth positively impacts and restores the competitive equality between terminals installed at the port,” BTP CEO Henry Robinson said. Previously, BTP had a disadvantage compared to Embraport, Santos Brasil and Libra Terminals, because the Section 4 channel had not been completed.

Lear told JOC.com that BTP now hosts seven deep-sea services, five for MSC and two for Maersk, and vessels from the two liner companies could not depart the terminal fully laden. At the same time, Tecon Santos recently lost a major service — the ASAS service from the east coast of South America to the Far East — to Libra Terminals, and this impacted heavily on volumes. According to Lear, BTP jumped from 46,000 containers in July to 61,000 containers in August, and then to 69,000, provisional data for September show.

Tecon Santos sank from 76,000 to 72,000 to 62,000 containers during the same period, and Libra fell from 34,000 to 30,000 to 27,000 containers in September. In terms of market share, the shift in power from the old — Libra and Tecon Santos — to the new (BTP and Mbraport) is even more pronounced. Full-year figures for 2013 show BTP with just 3 percent; Embraport with 6 percent; Tecondi, 14 percent; Rodrimar, 5 percent; Terminals 35 and 37 (Libra) with 19 percent; and Tecon Santos with a dominant 52 percent. According to the latest figures from Codesp, up to the end of August 2014, BTP now has 16 percent; Embraport, 15 percent; Tecondi, 10 percent; Rodrimar, 3 percent; Terminals 35 and 37 (Libra) with 15 percent; and Tecon Santos with 40 percent. Between now and the end of the year, BTP and Embraport will probably continue to make inroads on new business. Shippers will likely be delighted because such fierce competition will probably lead to reduced handling charges. Source: Journal of Commerce

Lloyd's Register: We'll Soon See Ships of 24,000 TEU

Maersk Line's 18,000 TEU Triple-E series were formerly the world's largest container ships before CSCL built its new 19,100 TEU ships. Lloyd's Register says mega container ships capable of carrying 24,000 twenty-foot equivalent units (TEU) will soon be plying the world's oceans, shipping industry, ShippingWatch reports. So far, rumours have only talked of ships capable of carrying 22,000 TEU.

"12 years ago researchers were looking at Malaccamaxes, 18,000 TEU vessels named after the Malacca Strait," said David Tozer, container segment manager at Lloyd's Register. "People thought that this was absolutely crazy. "But since then things have developed to the extent that we'll soon see ships of 24,000 TEU. "The volumes are there, so it's going to happen," he said. Currently, the world's largest container ships are China Shipping Container Lines Co., Ltd's (CSCL) new 19,100 TEU ships, which will take the crown from Maersk Line's 18,000 TEU Triple-E series. They need to understand what the future is going to look like, and they need to take control and become part of it. David
Tozer, Container Segment Manager, Lloyd's Register “We're experiencing among our customers that the biggest carriers in front are working seriously with the giant ships and are looking into the future,” said Tozer. “They need to understand what the future is going to look like, and they need to take control and become part of it.”

Tozer said that with companies such as Maersk Line, CSCL, Evergreen and CMA CGM having already invested in 17,000 to 19,000 TEU ships, 24,000 TEU was only a matter of time as the commercial pressure to put more cargo on ships rises. However, he stressed that there were still safety and technical challenges for a ship of that size, in particular the size of port terminals and bridges that span waterways, such as the one that crosses over the Suez Canal. “We're not involved in all projects with the carriers, but we're going to put an emphasis on safety in terms of our customers,” he said. Denmark's A.P. Moeller-Maersk CEO Søren Skou also recently cast doubts over larger container ships after suggesting that the sheer size could prove problematic for entering ports, and that the inflexibility of where to dock could leech away the cost benefits of using bigger ships. The first of CSCL's five 19,100 TEU box ships is currently set to launch in November, and is also said to be capable of 20 percent reduction in fuel usage. Source: Ship & Bunker

**Havila wins Petrobras option**

Oslo-listed offshore vessel owner Havila Shipping has secured more work with Petrobras for its platform supply vessel *Havila Favour* off Brazil. The Brazilian state-owned giant has exercised a four-year extension option for the vessel that will start on expiry of the current charter in November, keeping the vessel operating in waters off the South American country until the end of 2018. No value was disclosed for the extended charter, which is based on the same terms as the current one. Source: Upstream

**Petrobras Not Ready to Produce More LSFO**

Major low sulfur fuel oil (LSFO) producer and exporter, Petrobras, Wednesday said at the SIBCON 2014 conference in Singapore that it is not ready to invest in increased production of LSFO to meet higher expected demand following planned new International Maritime Organization (IMO) regulations. Demand for LSFO is expected by many to increase dramatically once new global IMO rules come into force, which subject to a review in 2018, will reduce allowable sulfur content in bunkers from 3.5 percent to 0.5 percent by 2020 or 2025. Marco Antonio Costa Tritto, global bunker business manager and residuals and feedstocks deputy general manager at Brazilian Petrobas, said there was unlikely to be sufficient LSFO production to meet demand from the global shipping fleet by those dates. “Certainly Petrobras will not have enough LSFO to provide that many ships to comply with IMO regulations by 2020 or 2025,” said Tritto. He added that Petrobras would need to be clearer about the market demand before investing in increased production. “It seems that the authorities are very keen to implement the sulphur regulation by 2020 or 2025, but producers are still adopting a wait-and-see attitude,” continued Tritto. Tritto pointed out that when the 0.5 percent sulfur cap is enforced, the shipping industry will comply with the regulation through the use of a combination of methods, including the use of scrubbers or LNG, meaning predicting demand is not straightforward. Oil major BP has said it sees 2020 as
feasible for the implementation of the new rules and has urged the IMO to clarify its intentions. Source: Ship & Bunker News Team

The tug *Kareta*, departing Dunedin bound Lyttelton for drydocking where maintenance and survey work will be completed before heading to Bundaberg in Australia. The *Kareta* and her sister tug *Rangi* have been sold by Port Otago to a Queensland towage company. The *Kareta* was built in 1975, gross tonnage is 205.5, powered by 2 x Blackstone diesel engines giving 2000 HP. Photo: Ross Walker ©

**Avior Marine Inc**

- Philippines
- Russia
- Netherlands
- Germany

**Officers & Crew for**
- Container ships
- Reefer Vessels
- Bulk Carriers
- Offshore
- Tankers

“Your Crew, Our Care”

info@aviormarine.com

www.aviormarine.com

Avior is the Crewing Organization within the Seatrade Shipmanagement Group. Netherlands-Germany-Philippines-Russia

The *MAGNUS* and *PEGASUS* moored in Rotterdam Lek Harbour – Photo: Cees van der Kooij ©
Capacity not sanctions kill Viking’s Kara charter

Early cancellation of a Kara Sea charter is troubling news for owners, as Russian sanctions have left them holding their breath over the hugely important project. Viking Supply Ships has lost an important charter at around $85,000 per day for an anchor handling tug supply (AHTS) vessel in the touchy Russian Arctic but the company says the early termination is not because of sanctions over Moscow’s role in the Ukraine crisis.

Harsh-weather, cold water or Arctic projects have been one of the key sources of demand for high-specification offshore support vessels (OSV), especially for Norwegian-built tonnage. Two areas in particular, the Kara Sea and Pechora Sea, have together employed around 20 high-spec vessels that would have otherwise been fighting for work in the troubled North Sea spot market. As the early return of these ships would only raise the North Sea pressure, many in the OSV sector have viewed the sanctions against Russia with considerable concern. Norway-backed owner Viking Supply, which specialises in Arctic operations, has had three ice-classed AHTS vessels and one AHTS icebreaker on the high-profile Kara Sea project for ExxonMobil and Rosneft.

Remaining on charter are the 225-tbp, 19,050-bhp ice-class vessels Brage Viking (built 2012) and Magne Viking (built 2011), as well as the 202-tbp, 18,300-bhp icebreaker Balder Viking (built 2000).

“Considering a potential cancellation of the remaining vessels, this remains a key uncertainty under the prevailing sanctions from EU [European Union]/US on Russia,” said Swedbank analyst Stig Erik Kyrkjebøeide this week. Viking Supply chief executive Christian Berg confirms for TradeWinds that the cancellation was unrelated to the sanctions.

The start-up of remote, harsh-environment drilling programmes, in areas with little or no infrastructure onshore, can be something of a wildcard for charterers, so extra vessel capacity may result or be planned initially as a buffer to ensure steady

Until now, these four ships have been on firm charters at premium rates for the 2014 and 2105 drilling seasons, with options for the 2016 and 2017 drilling seasons.

Brokers believe charters on the three high-ice-class AHTS vessels were signed at about $85,000 per day, although some analysts estimate the rate is as much as $90,000 per day. While brokers and analysts both believe the single icebreaker is earning slightly less, these amounts represent the top of the range for day rates paid on the Kara Sea project. This week, Viking Supply received the early termination notice for the 19,050-bhp ice-class Loke Viking (built 2010), which is rated with 221 tons of bollard pull (tbp).
operations. “Since this was the first year of the project and they had one vessel too many, it is just quite natural to take the most expensive vessel and cancel that one,” said Berg. “You always need a year to try out a new area and the Kara Sea is an area where no one has operated before.” Historically a heavy spot-market player, Viking Supply has pushed hard in recent years to get its vessels into long-term business. The North Sea spot market also pays no premium for ice-class, so the Kara Sea work was a key victory for the owner. TradeWinds asked whether the Loke Viking’s cancellation comes as blow for the owner.

“We face having two anchor-handlers in the spot market, instead of one, in the worst case scenario,” said Berg. “With four vessels in the Kara Sea, we didn’t have any vessels left for other regions, so now we can go into other areas. I see this as much an opportunity as it is lost business. It is certainly not a blow.” Berg declines to name any specific projects he may target for the Loke Viking, although he does mention Canada as “an interesting place”. He also declines to discuss the level of the cancellation fee. If the Loke Viking is forced back into the North Sea spot market, its prospects seem rather dismal, according to brokers. “There is no way that [Viking Supply] will get this figure [$85,000 per day] in the spot market during the winter months,” said one broker. “There might be some short peak periods but the utilisation will not be every day. The winter months that are about to start do not look too promising for owners, with plenty of ships for charterers to choose from.”

Source: Tradewinds

---

The BRO DEVELOPER “podding” her stern round for a port side tie up on the Clyde this week.

Photo: Tommy Bryceland, SCOTLAND ©
Nicaraguan Canal plan "will wreak havoc" claims NGO

Shipping firms should pressure the Nicaraguan government and the Chinese backer of a proposed canal to ensure that the project does not force indigenous people off their land and inflict massive environmental damage on the country's ecosystem, an environmental advocacy group has urged. According to The Guardian newspaper in the UK, the proposed 178-mile waterway "seeks to rival the Panama canal" by offering an alternative Atlantic-Pacific passage which cuts voyage times. Construction is scheduled to begin in December with US$50 billion funding from the Hong Kong Nicaragua Canal Development Investment Company (HKND), which is owned by Chinese lawyer Wang Jing. However, as the newspaper reports, Danish NGO Forests of the World has accused the Nicaraguan government and HKND of failing to involve indigenous people in the planning process, saying the canal will wreak havoc on forests and force people to move. "The canal is to be built straight through the Rama and Kriol territory, fragmenting it into two parts," said Claus Kjaerby, Central America representative at Forests of the World. "It's just like if someone wanted to build a bicycle trail through your garden and they do not consult with you." The Guardian said the Nicaraguan government said it has shared information about the canal with indigenous people, but conceded that no formal discussions had taken place. The full article can be found at: http://www.theguardian.com/global-development/2014/sep/30/nicaragua-canal-forest-displace-people

Source: Dredging News Online

Gulf Navigation gets go-ahead for bond conversion

Dubai: Gulf Navigation Holding has received regulatory approval to convert $60m (220m AED) of bonds into shares to settle its debt. The company has been working on a turnaround and restructuring plan since last year. Shares in Gulf Navigation fell to 0.409 AED today, a decrease of 4.88% (0.021 AED) on the previous day. Gulf Navigation is the only maritime and shipping company listed on the Dubai Financial Market. It owns and operates four MR chemical tankers.

Source: Gulfshipnews

Southern New Englanders ride out hurricane in Bermuda

One of the two fast ferries owned and operated by Rhode Island Fast Ferry at Quonset Point was tied up Friday at the Royal Navy Dockyard in Bermuda, braced for Hurricane Gonzalo bearing down on the island. The 121-foot three-deck catamaran Millennium usually carries 400 passengers on a contract with the Bermuda government shuttling cruise
ship passengers to one end of the island and back on board. Two crew members from Southern New England, Capt. James Stasinos of Weymouth and engineer Tom Staples of Seekonk are seeking shelter in an 1800s fortified stone structure about 50 feet from the dock to ride out the storm. They're on the second floor.

"It's definitely going be the worst storm that they've seen probably in the history of the island," said Charlie Donadio of Rhode Island Fast Ferry said. The crew members have all the provisions they think they'll need, including flashlights, batteries, water and food.

"We're obviously aware of the fact that winds are probably going to be blowing 140 mph at most. We're a little bit nervous about that. We've done our best to secure the boat and secure the apartment we stay at, and we're just hoping that everything holds up," Stasinos said by phone from the island. Donadio's other high speed ferry is the smaller Ana Pearl, docked at Quonset. He said he hopes the Millennium will be able to come back to Rhode Island on its own power next week. "They'll be sending me photos tomorrow when they wake up to show me what it looks like, if they have phone service, Internet," Donadio said. 

Source: turnto10

Man saved after ferry fall flees hospital

The 21-year-old Kosovan, who was being treated for hypothermia, plunged into the sea from the Cherbourg-bound Oscar Wilde ferry at around 6.20 p.m. on Sunday night, less than an hour after the vessel left port. A 'man overboard' call was made by the Oscar Wilde at 6.21 p.m. At the same time, another Irish Ferries vessel, the Isle of Inismore, was almost parallel with the large vessel, heading towards Rosslare.

Both ships launched rescue craft and after a few minutes the man was spotted from the bridge of the Oscar Wilde and rescued.

'He was alive, but was in shock suffering from hypothermia,' said a spokesperson for Irish Ferries. He could not have survived for long in the ice cold water and was fortunate to be rescued so quickly. 'The rescue boat from the Isle of Innismore took him directly to Rosslare Europort where he was identified by immigration officers and taken to Wexford General Hospital. Gardai said that the man had gone missing from his hospital bed wearing a blue hospital gown and with an IV drip in his arm.

Previously the man, aged 21, was refused entry to the state after presenting a false document when he arrived on the Oscar Wilde from Cherbourg and was put back on the same boat for the return leg to the French port. The Kosovan, who was not under guard at the hospital, has short brown hair and is of medium build. 

Source: independent

The Hong Kong Towage and Salvage owned tug TING KAU operating in the Ma Wan Channel off Hong Kong

Photo: Piet Sinke © - CLICK on the photo!
In Duluth, Amsterdam-based company seeks international shipping ties

*Europe has never been closer to Minnesota.*

That's the message the Duluth Seaway Port Authority is putting forth as it develops a relationship with a Dutch ship management company. The Amsterdam-based Spliethoff Group has sailed its ships into the port authority's Clure Public Marine Terminal twice already this shipping season. A third docking is scheduled for November. By spring, the outgoing Spliethoff vessels figure to carry a variety of smaller loads with them when they leave for overseas. In a Great Lakes shipping industry that commonly moves cargo in increments of thousands of tons, allowing for smaller companies to ship as little as one or two cargo containers of its products is a potential game-changer for the port authority.

"This is not a common thing on the Great Lakes at all," said Jon Lamb, president of the Lake Superior Warehousing Co. that operates the Clure terminal for the port authority. "This is a major change." The Clure terminal, with its two massive gantry cranes, is the port's lone docking point for loading and unloading break-bulk and container cargo. As the industry is currently situated, most businesses that want to ship smaller loads overseas to Europe have to find a way to get their cargoes by truck or rail to the coastal ports on the Eastern seaboard. Lamb compared the development to affording businesses a direct flight to Europe versus having to use connecting flights.

**Left:** FORTUNAGRACHT, dry docked at Antwerp Ship Repair

*Photo: Antwerp Ship Repair ©*

As North Dakota oil clogs the Midwest rail lines with tanker cars, the time is right for a passageway to Europe that allows for niche cargoes, said Ronald Johnson, trade development director for the port authority. "This is another option -- as creative as any," said Johnson, who added that the port authority has long wanted to "go back to the future," when this sort of smaller-lot shipping was more common in the local port. So far, much of Spliethoff's business in Duluth has been discharging wind turbine components. By spring, the hope is that the outgoing service will be just as utilized. The port authority is busy gathering a database of potential users of the service.

"After speaking with some local companies around Duluth and hearing about their current logistics to move their cargo to Europe, we are looking forward to providing them with cost-effective alternatives and faster transit times," said Spliethoff spokesperson Jamie Tolis, who is based out of the firm's Montreal office. According to its Web site, Spliethoff is one of the largest ship management companies in the Netherlands, with a fleet of more than 100 multipurpose
vessels. It's the versatility of its vessels that makes Spliethoff so attractive. The entire fleet is made up of "tween-deck" vessels that feature systems that can shelve and segment off cargoes from one another, allowing for the consolidation of smaller lots.

The ships can even transport bulk cargoes like grain, an industry that is having a particularly difficult time finding its way onto the rail lines. "Our vessels are well-equipped and a variety of cargo can be carried on the same voyage," Tolis said. "We can accommodate all types of cargo from project cargo, agricultural products, smaller lots of break-bulk, machinery, containerized freight, steel and so much more."

Because only American-flag vessels can ship between domestic ports, the Spliethoff endeavor with Duluth is strictly an international one. "We're looking at this as transatlantic," Lamb said. The three Spliethoff vessels that will have called on Duluth this season originated from Antwerp, Belgium. Conceivably, Lamb said, lots could carry on to other parts of the world once having reached Europe.

Johnson said the customary round trip for one of Spliethoff's transatlantic voyages is 21 days. So far, Spliethoff vessels have sailed into Duluth Aug. 4 and Sept. 10. Another feature of the arrangement between Spliethoff and the local port authority is that vessels headed back to sea won't need to be full. Spliethoff could pick up cargoes at other Great Lakes ports to help make the voyage worthwhile. Spliethoff has a history of this sort of small-lot shipping, Lamb said, having successfully established the practice within the Caribbean. "It's a natural fit," Johnson said. "From our perspective," Lamb said, "we really expect this opportunity to create new things. It's exciting to see what role this can play to support the regional economy." Source: twincities
Schenkers reddingboten oefenen bij Medemblik ‘Man Over Boord’-manoeuvre met KNRM

Zaterdag 11 oktober vond voor de kust van Medemblik een Man Over Boord oefening plaats, georganiseerd door de Nederlandse Vereniging van Kustzeilers (NVvK), waarbij de KNRM reddingboten van Den Oever en Medemblik hun medewerking hebben verleend. Bijzonder aan deze oefening was de deelname van de echtgenoot van de schenker van reddingboot Johanna Margaretha van KNRM station Den Oever. De oefening is georganiseerd door de schenker en naamgever van de Nikolaas klasse waartoe ook de reddingboot Bernardine behoort. Source: KNRM, www.kustzeilers.nl

Damen delivers instrumentation package to “Margaret Ann”
Earlier this month Damen Dredging Equipment delivered an instrumentation package to the “Margaret Ann”. This TSHD had to be fitted out with this package at the greatest speed as a new job was at hand. The owner chose for the Damen instrumentation as they have various other TSHDs equipped with the same instrumentation operating to their full satisfaction.

The dredging instrumentation delivered comprises various standard Damen instrumentation packages. These include a Suction Tube Position Indication with both vertical and horizontal angle measurement, delivered for monitoring the position of the trailing pipe versus the vessel. On screen the side and top view of the pipe and TSHD are represented on one page accessibly. Moreover, a Load and Draught indicator showing the vessels loading graph was mounted including the required pressure transmitters. Additionally the Tons Dry Solids are measured by radar sensors, indicating the cargo volume present in the hopper. Moreover, a Data Logger was installed combining the various signals plus time stamp and the location data taken from the newly installed Navguard positioning software. All equipment was delivered and installed within 6 weeks. The owner Group De Cloedt’s Manager Special Projects Mr Jeffrey Wijnja says “We contracted a job in Germany for the “Margaret Ann”. For that job this dredging instrumentation was vital. We chose the Damen dredging instrumentation as it runs onseveral of our TSHD’s to our full satisfaction. As the job had to be done without delay, the choice was easy”. The “Margaret Ann”, a 835 m³ TSHD of 85.9 m length, is on its way to its new job at this very moment.
Steep fall in Shanghai-Rotterdam spot rates

On the World Container Index, spot rates from Shanghai to Rotterdam have dropped to their lowest level in a year. Last week, the price for a 40-foot container was US$ 1600 - down 2.3% from the previous week. Since September 11, spot rates have dropped 40.5% or US$ 1090 per FEU, reports the Journal of Commerce. Rates traced the same downward spiral in 2013 when they sank 48.6% between September 5 and October 31. In the first week of September, spot rates spiked 109% to US$ 2687 per FEU; since then, rates have dipped under US$ 2000 per container only six times, including three in the past three weeks. For the past five months, spot rates have been consistently helped by monthly Asia-to-Europe general rate increases, only to give back any gains in the subsequent weeks. For example, the spot rate was US$ 2447 per FEU on May 8 but dropped 7.1% to US$ 2489 by the month’s end; and the price hit US$ 2877 on August 7 before sliding 25.3% or US$ 729 over a four-week period. Back-haul rates from Rotterdam to Shanghai have also dropped 10% since September 18. The spot rate of US$ 759 per FEU was 14.6% lower than in the same week of 2013 and at its lowest point since the US$ 737 recorded on January 2. Source: recyclinginternational

CASUALTY REPORTING

The LADY A, a 67-foot recreational vessel, sinks in 180 feet of water north of Dungeness Spit, Sequim, Wash., following the rescue of two people aboard by a small boat crew from Coast Guard Station Port Angeles, Oct. 17, 2014. The two people were taken to the station with no reported injuries. (U.S. Coast Guard photo courtesy of Coast Guard Air Station Port Angeles)

Tanker Runs Aground in Amazon River

BY MAREX
On October 8, on her way to Manaus City for a cargo discharge from Rio De Janeiro, Brazil, on her 8th voyage up the Amazon river, **MT Seychelles Patriot** ran aground on shifting sand and mud banks in the middle of the Amazon River, well within her planned navigational routing and in the presence of two Brazilian pilots on-board, as required by the Brazilian Maritime Authority.

The vessel remains in an uncritical state with respect to its structural integrity as assessed and confirmed by the classification society. No spillages of product or any injury to crew members have been recorded. It is to be noted that the vessel is built to high double hull structural specifications.

On receipt of the grounding alert, the technical managers, the owners (**Seychelles Petroleum Company Ltd**), the insurance company, classification society and the charterer; Petrobras, were all notified immediately, as well as the Santarem Port Authority who holds jurisdiction in the area, to which within 24 hours the Seychelles Maritime Safety Authority (SMSA), the registry flag state, was informed.

An initial attempt to re-float the vessel under her own steam was undertaken on the same day, however the attempt was unsuccessful. Coordinated by **German Tanker Shipping GmbH**, the salvage operation was put through its first phase by contacting a salvage specialist company, **SMIT** of Netherlands, who flew two salvage experts from Netherlands on Sunday the 12th. A salvage plan was developed by Monday morning, approved by the classification society, the Santarem Port Authority and the insurance company. The salvage experts arrived onboard the Seychelles Patriot on Monday morning. Also present were two representatives from the insurance company and representatives from the Classification society, Germanischer Lloyd, who hold responsibility for safeguarding the structural integrity of the vessel.

The second re-floating exercise was attempted on the 13th October 2014 at 18:00 hrs LT, (01:00 hours Seychelles time) following the arrival of the two tug boats by mid-day, all with the approval of the Brazilian Maritime Authority. Unfortunately, the exercise was later stopped by the on-site team as the two tugs were found to be too small in size, and developed mechanical failures which caused reduced bollard pull. At this stage an extra tug is being chartered from the neighboring port of Santarem to aid the salvage operation, while the mechanical failures are being repaired on the two tugs previously chartered. Another re-floating attempt is planned for this evening. All is being done to re-float the vessel with the utmost level of professionalism and care, guaranteeing the safety of the crew, the vessel and the environment. **Source : Marex**
Outbound on the Clyde recently was HMS DUNCAN.

Photo: Tommy Bryceland, SCOTLAND ©

See what PNS Babur did to an Indian Navy Ship.

Click at the above photo to view the Pakistan Navy Ship BABUR “coming alongside” at sea of a Indian Navy ship. The Foreign Office lodged a protest with the Indian government through the Indian High Commission in Islamabad on a serious incident on 16 June, 2011 in which Indian Navy Ship Godavari obstructed Pakistan Navy Ship Babur. In a statement, a Foreign Office Spokesperson said the Indian navy The BABUR was built in 1972 as the HMS Amazon which was the first Type 21 frigate of the Royal Navy. Her keel was laid down at the Vosper Thornycroft shipyard in Southampton, England. The ship suffered a fire in the Far East in 1977, drawing attention to the risk of building warships with aluminium superstructure Amazon decommissioned and was sold to Pakistan on 30 September 1993, being renamed BABUR. Exocet was not transferred to Pakistan and Babur had her obsolete Sea Cat launcher
removed. A Chinese LY 60N missile launcher was fitted in place of the Exocet launchers. Signaal DA08 air search radar replaced the Type 992 and SRBOC chaff launchers and 20 mm and 30 mm guns were fitted. Babur remains in service with the Pakistan Navy. **NOTE: THE INCIDENT HAPPENED IN JUNE 2011 during the rescue of hostages on-board merchant vessel MV SUEZ.**

**RUSSIAN NAVY SHIPS ARRIVED IN PAKISTAN**

Two Russian naval warships comprising frigate *Yarsolav Mudry* and tanker *Kola* arrived on a goodwill visit at the Karachi Port on Thursday. A joint counter narcotics exercise at sea will be conducted on October 20, involving Pakistan Navy, Pakistan Maritime Security Agency, Anti Narcotics Force and Russian flotilla, said a press release issued here.

Besides, the visit of Russian Director of Federal Department of Counter Narcotics, Victor P Ivonov is also planned concurrent to the ships’ visit. He will meet senior government and naval officials and will also board Russian naval ship for witnessing the exercise. The event is of strategic significance and will go a long way in enhancing bilateral relations between the two countries. During the visit, various other training activities and discussions on maritime security issues are also planned. Such visits help in promoting peace and security in the region and are in line with the policies of the government. **Source: Imran Farooq**

**Russia's navy warships berth in northern Iran**

A detachment of Russian fleet of warships has berthed at the Caspian port city of Bandar Anzali in northern Iran. The flotilla, which docked in Bandar Anzali on Monday, carries the message of peace and friendship in the Caspian Sea and was welcomed by Iranian naval officials. This is the second time that a Russian fleet of warships has traveled to Iran, Russian Ambassador to Tehran Levian Dzhagaryan said on Monday. He also stressed the importance of strengthening cooperation between the two countries.

A group of Russian Navy warships, comprised of *Admiral Panteleyev* anti-submarine destroyer and the logistic battleships *Peresvet* and *Admiral Nevelskoy* with a crew of 712, docked at the southern Iranian port city of Bandar
Abbas on April 21, 2013, after a long journey from the Pacific Ocean. Meanwhile, the Russian consul general in Iran's northern city of Rasht, Maxim Baranov, said on Monday that the visit by the fleet aims to boost relations in various economic, political and military fields. Russia believes that all issues pertaining to the Caspian Sea should be settled by its five littoral states and without the interference of other countries. The Russian flotilla is scheduled to leave Iran for Azerbaijan on Wednesday. Source: PressTV

GCC to set up joint naval force

The Gulf Cooperation Council (GCC) is mulling the establishment of a joint naval force as a precautionary step to protect the waters of the Gulf from potential terror threats, a senior Kuwaiti official said Wednesday.

The new marine force is intended to combat terror and protect the Gulf commercial routes in coordination with foreign navies, such as those from NATO, the state-owned Kuwait News Agency (KUNA) quoted an advisor at the Kuwaiti Ministry of Defense, Maj. Gen. Ahmed Al-Mulla, as saying on the sidelines of a maritime security conference in Qatar on Wednesday. The force, to be named “Maritime Security Group 81,” will act as a maritime equivalent to the Peninsula Shield Force—a 40,000-strong force based in Saudi Arabia and tasked with the protection of GCC member states against military aggression—the official said.

Recent developments in the region have necessitated boosting security cooperation between GCC countries in a bid to deter potential terror threats and protect natural resources, a Gulf source, who spoke on the condition of anonymity, told Asharq Al-Awsat. The force is expected to be set up by the end of the year, the source maintained.

In comments to Asharq Al-Awsat, a senior scholar at the Bahrain Center for Strategic, International and Energy Studies, Dr. Ashraf Kishk, pointed to a link between the move and the growing Western and Arab airstrikes on terror positions in Iraq and Syria.

It is an example of a “long-term strategic vision as the increase in airstrikes on terror groups may prompt them to transfer their battle from the land to the sea and start targeting oil carriers [in Gulf waters],” Kishk said.

In 2002, an oil tanker was damaged by a ramming attack by a small boat loaded with explosives in the Gulf of Aden. The attack, for which Al-Qaeda claimed responsibility, followed a similar attack on a US Navy warship, the USS Cole, in a Yemeni harbor in October 2000.

The move, the strategist maintained, also reflects a growing international interest in preserving maritime security to clamp down on growing piracy-related activities.

“The presence of a GCC force will complement international efforts to preserve maritime security, particularly as the African side that overlooks the Red Sea and the Bab El-Mandeb strait has seen a growing presence of radical groups whose next step may be to cross into the Arabian Peninsula,” he said.

Dr. Kishk said the move was a positive development in terms of regional security, and that “the GCC countries have moved from the phase of realizing dangers to finding mechanisms for facing and handling them.” Source: Aawsat
Shipyard Pella (Leningrad region) lays down ice-class rescue tug for RF Defence Ministry

On October 17, Shipyard Pella (Leningrad region) laid down an ice-class rescue tug for the Defence Ministry of the Russian Federation. The keel-laying ceremony was attended by Sergey Shoigu, the shipyard told IAA PortNews. The tugboat is intended for a wide range of operations in the interests of RF Navy at the sea transport routes and on the continental shelf. The vessel is to be delivered to the customer in November 2015. According to media reports, the Minister will also visit the Sredne-Nevskiy Shipyard to review the technology applied for production of minesweepers’ composite units and hold a meeting on execution the state defence order. Shipyard Pella (Leningrad region) was founded in 1950 and privatized in 1992. The holding incorporates a head company and a number of subsidiaries. The shipyard specializes in construction of tugboats for Russian customers. Source: PortNews
METALSHIPS & DOCKS ACTIVITY IN SEPTEMBER, BEGINNING OCTOBER

The Spanish yard has recently completed the repair of Carisbrooke’s 12,951 dwt general cargo “Julie C” and Green Management’s 6,000 dwt reefer vessel “Green Austevoll”. According to Pablo de Celis, from commercial department, “It was the first time for Carisbrooke at Metalships & Docks and the experience couldn’t have been better. The yard was able to handle the scope of work originally quoted in 4 days less than expected. Either Carisbrooke or Metalships were really satisfied with the job done and look forward to a long term cooperation.”

Godbyshipping’s 7,438 dwt Ro-Ro “Mistral” has docked for maintenance works. Afloat repairs are being performed onboard of UECC’s 4,442 dwt vehicles carrier “Autopride”, piping and mechanical works. Green Management’s 6,000 dwt reefer vessel “Green Karmoy” will dock for her fifth special survey by the end of the week. Standard drydock works plus major steel and mechanical works are planned. Pablo de Celis says “Green Management” has become one of our main customers and we are really thankful to them. They put all their trust on us and after having repaired 6 vessels, the relation between both companies is on its best moment.” Regarding prospects for the end of the year, Pablo says “it is being our best year till now and prospects are quite optimistic for last quarter. We are making a big promotion of our yards and findings are there. We have built up some strong relations with shipowners leading to signing several fleet agreements which will bring to Metalships & Docks an average of 3-4 ships per each owner”.

Nam Cheong secures orders for up to 20 newly designed AHTS

Malaysia’s OSV builder Nam Cheong has secured letters of intent worth $186m for the sale and charter of 12 of its newly designed AHTS vessels, including options for eight additional units. In conjunction with the latest orders, Nam Cheong on Friday in Singapore officially launched its first proprietary design of its NCA80E series, a 64.8 metres, 80 tonnes bollard pull diesel-electric AHTS vessel.

Bumi Armada and Geooffshore each took up four vessels with an option for four more, Vega Offshore ordered two, and Sofield Marine & Offshore and Opstad Group took one each. The OSVs will likely be deployed in the North Sea, West Africa and Brazil. The DP2-capable, shallow water-based NCA80E vessels boast an energy efficient design from the hull lines and is equipped with
selected electric drives which lead to lower fuel consumption without a loss in power to the electric drives. Nam Cheong AHTS

The new AHTS vessels were constructed as part of Nam Cheong’s build-to-stock models and they are scheduled for delivery in phases starting from 2016. Including the latest 12 firm orders, Nam Cheong has sold a total of 37 OSVs this year to date, increasing from the sale of 24 OSVs last year, which was itself a record high. “Besides the superior performance of the NCA80E vessel, we are also mindful of the need to incorporate environmentally friendly features such as electric propulsion that leads to lower exhaust emissions that helps to reduce the industry’s carbon footprint,” Leong said. “We are working towards our ambition of being the largest OSV builder in the world by 2017,” he added. Leong revealed to Seatrade Global that the company has a design roadmap to achieve the ambitious goal, including the focus on fuel efficiency and fuel management. “On the outlook, although we have seen recent volatile oil prices, we believe our strong reputation within the highly resilient shallow water segment remains robust as we continue to see good demand from customers for our vessels,” Leong said. Source: Seatrade - Global

KBR-DSME JV Lands Eni's FEED Contract for Mozambique FLNG Facility

KBR Inc. reported Thursday that the KD Consortium, consisting of KBR and Daewoo Shipbuilding & Marine Engineering Company, Ltd (DSME), has been awarded a front end engineering design (FEED) contract by Eni East Africa S.p.A. for a floating liquefied natural gas (FLNG) facility for the Coral South Development Project located in Mozambique. With the award, the KD consortium will be one of three consortia competing for the engineering, procurement, construction, installation and commissioning (EPCIC) contract to build the new floating LNG facility for Eni East Africa and its partners to develop the hydrocarbon discovery in the Rovuma Basin in Mozambique. Only one consortium will be chosen to take the project to the EPCIC phase. Three important milestones of this combined FEED-EPCIC competition are:

“Developing a cost-effective solution for the first FLNG vessel in Mozambique was the rationale for developing the KD consortium,” said Stuart Bradie, KBR president and CEO. “The consortium allows us to leverage the strength of both companies to provide the client the best choice for the EPCIC portion of the project.” The KD Consortium will provide the FEED for the Topsides, Hull and Subsea for the Floating LNG facility. The Topsides and Turret are being designed in KBR’s Leatherhead office while the hull and marine system are being engineered in DSME’s facility in Seoul, South Korea. The FLNG facility will be a turret moored double-hull floating vessel, on which gas receiving, processing, liquefaction, and offloading facilities will be mounted together with LNG and condensate storage.

Eni’s Coral South Development Project is located in the deep waters of the Rovuma Basin, which straddles Mozambique’s Northern border with Tanzania. Coral South is situated approximately 150 miles northeast of Pemba and 30 miles from the Mozambique coast. Expected revenue from the contract will be included in the third quarter 2014 backlog of unfilled orders for the Hydrocarbons segment. The contract value was not disclosed. Source: Rigzone

China State Shipbuilding Corporation secured shipbuilding orders of 2.1 mln DWT

In September 24th, China State Shipbuilding Corporation (CSSC) and COSCO held new building contract signing ceremony in Shanghai. The two sides signed totally 2.1 million dwt new building contracts including five 14,500TEU container carriers, four 208,000dwt bulk carriers and six 82,000dwt bulk carriers and related cooperation memorandum, which set the highest record of one-time order receiving volume in CSSC’s history, CSSC said in its press release. Source: PortNews

ROUTE, PORTS & SERVICES

Pan Ocean settles again

The Singapore-listed South Korean bulker owner said it was awarding 51.12m new shares to a variety of companies, 49.52m of which are worth KRW 10,000 each, or a total of $465m. The 49.52m figure is for creditors whose claims were confirmed after the first debt to equity swap was completed when the company emerged from its court-approved restructuring in November 2013. The rest goes to those who had confirmed claims at the time, but did not submit identification documents by the deadline. Pan Ocean had 163.4m shares outstanding before the issue, meaning the...
new tranche represents 24% of the enlarged capital. Deutsche Bank is pocketing the most stock, with 8.72m shares - a 4% stake. Korean shipowner Dong-A tanker gets 3.81m, while two York-controlled funds gain a combined 7.74m. Norway’s Spar Shipping has been awarded 1.61m shares.

The collapse of the South Korean owner cost Bergen-based Spar long-term charters on three supramax bulkers — the 58,000-dwt Spar Rigel and Spar Mira (both built 2010), and Spar Corona (built 2011), which were fixed on five-year hires following delivery as newbuildings. The company was chasing $50m in lost revenue from the Pan Ocean deals and from the loss of three charters to Grand China Logistics. Barclays, Varde and Lowy are among other investors to gain a position in the company. Korea Development Bank will remain the largest shareholder with 17.03m shares, or around 8%. The bulker owner’s first debt to equity swap was worth $1.17bn. Earlier this month it put itself up for auction in a deal that could be worth up to $660m.

Potential bidders will conduct due diligence from 10 November to 28 November, with binding offers due in by 11 December. Buyers will be eyeing its fleet of 90 vessels, including an LNG carrier, two heavy deck cargo ships, a range of bulkers including seven massive Valemax ore carriers and 14 products tankers. It has four bulkers on order for delivery in 2016. Pan Ocean was formerly owned by the troubled STX Group and filed for court receivership last June. The owner logged a profit of $323.93m for the three months to the end of June, overturning the loss of $24.34m a year ago. Source: Tradewinds
'K' Line transports ambulance and fire engine to El Salvador

JAPAN's "K" Line has provided free ocean transport for an ambulance and a fire engine to El Salvador, moving equipment was donated by Fujisawa City fire department in Kanagawa Prefecture, Japan. El Salvador has long faced a shortage of fire engines, having only 19 units in the whole nation. Recognising such a situation, Fujisawa City decided to donate an ambulance because Salvadorian ambassador to Japan, Martha Lidia Zelayandia had long been a resident of the city.

The shipping line transported the vehicles on board its pure car carrier loaded at Yokohama as per a request from the ambassador to the special executive advisor of the company and honorary consul of the country, Hiroyuki Maekawa. The ambulance and fire engine were loaded with the cooperation of Daito Corporation, an affiliate company of "K" Line. Source: Asian Shipper

TID takes cutter suction dredger training course to South Africa

The Training Institute for Dredging (TID) is taking its Cutter Suction Simulator training course to South Africa for the first time in a joint effort by IHC Marine and Mineral Projects (IHC MMP) and the TID. After a successful series of sessions in the US and India, the training programme will now be offered to the South African dredging market.

This simulator used in the course is based on the IHC Beaver 6518 and is equipped with a modern dredging operator desk featuring the latest automation and controls. The training course will take place at IHC MMP's premises, in Cape Town, South Africa, starting on 12 January 2015. It will run for three consecutive weeks. Each training course takes three days. The course is designed for cutter suction dredger operators with a minimum of one year's experience. To take part, they should have a good standard of technical education, a basic understanding of dredging, and a good standard of English language skills. Source: Dredging News Online
Bunker prices to stay flat, may move downward, expert says

The Bunker Review is contributed by Marine Bunker Exchange

Brent crude oil, the global benchmark, has lost more than 28 percent since June on slow demand and abundant supply. Losses have accelerated in October on signals that OPEC has no plan to cut output. - Oil fell more than $1 a barrel on Thursday to four year low below $83 a barrel as growing concern over the global economy. Brent crude for November delivery had dropped to $82.78 down $1.00 the lowest since November 2010. Brent has fallen from a high of $115.71 a barrel reached in June, 2014. The U.S. crude WTI fell to $80.47 a barrel a drop of $1.31 by 1456 CET. The market is still bearish, despite a calculated floor around $80 a barrel for Brent and $75 a barrel for WTI, which slumped to almost $80 a barrel, trading near its lowest in more than two years amid speculations rising U.S. supplies are exacerbating a global glut. These floors might come into danger if we don't have any signal from OPEC cutting production any time soon. The $30 fall since June has led to an intense discussion whether prices could be in for new norm. The reasons for the oversupply of crude oil, which is the cause of the recent price drop, are the shale oil boom in the U.S., the oil sand in Canada and Petrobras deep water drilling in the South Atlantic, but the cost for each barrel of crude oil extracted from the newly developed oil resources are expensive, between $70 – 90 a barrel. These extraction costs in comparison with the production cost in the Middle East, around $15-20 a barrel. Knowing this, it is understandable that the producers of oil in the Middle East will wait as long as possible to reduce the output, in order to guard their own market share. Sooner or later the high cost production of crude will suffer and reduce output capacity, and create a shortage and prices will start to go up again. We see rather a deep slump than a permanent shift of a new norm for oil prices.

Global economic worries deepened this week after China’s consumer inflation fell to near five-year lows and U.S. producer prices declined for the first time in more than a year. Venezuela has called for an emergency meeting of OPEC ahead of its next scheduled gathering on Nov. 27. We expect that bunker prices will stabilize around the current level but could also continue downward. When the ball started rolling, it is difficult to stop. Source: PortNews

Singapore September up 3.5pc to 2.81 million TEU, Hong Kong down 7.3pc

SINGAPORE’s Maritime and Port Authority reported a 3.5 per cent increase in container movement in September, having handled 2.81 million TEU compared to 2.72 million TEU in September last year. Figures from the Hong Kong Marine Department showed the port handled 1.79 million TEU in September, representing a year-on-year decrease of 7.3 per cent from 1.93 million TEU in September last year. Source: Asian Shipper

PLEASE MAINTAIN YOUR MAILBOX, DUE TO NEW POLICY OF THE PROVIDER, YOUR ADDRESS WILL BE “DEACTIVATED” AUTOMATICALLY IF THE MAIL IS BOUNCED BACK TO OUR SERVER If this happens to you please send me a mail at newsclippings@gmail.com to reactivate your address again

You can also read the latest newsletter daily online via the link:

Bumi Armada's CEO Eyes FPSO Opportunities in India

Malaysia-listed Bumi Armada Berhad’s CEO Hassan Basma sees potential demand for as many as 30 floating production, storage and offloading (FPSO) vessels off India, as state-owned Oil and Natural Gas Corporation Ltd.
(ONGC) ramps up cluster developments of oil and gas fields Hassan described India as “a good address” for FPSO contractors with numerous “clusters of small fields” in ONGC-operated offshore blocks waiting to be commercialized.

Subject to regulatory approvals, the Bumi Armada CEO expects about 30 FPSOs will be required off India in the next five years. Without identifying specific field locations, he flagged three FPSO requirements already on the horizon – one for gas and condensate production and two others separately for a gas development and an oil project.

ONGC is understood to have already reached out to Bumi Armada and other FPSO contractors for at least one production floater to be tendered out soon under the phased development of field clusters in Block KG-DWN-98/2 in the Krishna Godavari basin off India’s east coast. Block KG-DWN-98/2 is home to 11 discoveries including eight gas fields – A1, D-1, E-1, G-4, N-1, R-1, U1 and W1 – and oil finds, G-2, Kanakadurga, Padmawati and G4-6.

A field development plan (FDP) has been submitted for a phased development aiming at first gas in 2018 followed by oil in 2019, ONGC officials were reported as saying in Indian press. Regulatory greenlight for the FDP is projected for 2015.

The FPSOs in the pipeline for India’s offshore developments will likely be similar in scale to the Armada Sterling II FPSO due to sail away within weeks from Singapore’s Keppel Shipyard for the Cluster-7 oil and gas project off India’s west coast, according to Hassan.

Hess To Form MLP For North Dakota Oil, Gas Transport Assets

The newly converted Armada Sterling II FPSO, which is equipped to produce 26,500 barrels of oil per day (bopd) and store up to 510,000 barrels of crude, also boasts 60 million cubic feet per day of gas compression capacity. Most of the gas extracted will be exported to shore with minimal volumes set aside for re-injection, according to Hassan.

**Armada Sterling II** is the first FPSO to be installed with an internal turret fully engineered in-house at Bumi Armada.

The delivery of the internal turret put Bumi Armada on par in terms of technical capabilities with the top three FPSO contractors in the world, Modec International Inc, SBM Offshore NV and BW Offshore, Hassan said.

Set to go on a nine-year fixed term lease plus options for seven annual extensions at the Cluster 7 field development comprising the B-192, B-45 and WO-24 discoveries, Armada Sterling II is Bumi Armada’s second FPSO off India.

Its first FPSO off India, Armada Sterling I, is now producing 30,000 barrels per day of crude and ramping up to 40,000 bopd of output at ONGC-operated D-1 field development, according to SP Armada, a joint venture between Bumi Armada and Indian conglomerate, Shapoorji Pallonji Group. Bumi Armada has in turn, returned to Keppel Shipyard Limited for the conversion of the two FPSOs. The conversion of Armada Sterling II called for fabrication of over 6,000 tons of topsides modules, which were partially carried out at Dyna-Mac and Asia Offshore in Singapore.

Bumi Armada has recently contracted Keppel to convert two further FPSOs for Eni S.p.A.’s Block 15/06 East Hub and Enquest plc’s Kraken projects off Angola and the United Kingdom, respectively. Bumi Armada has several FPSO contracts in its bid pipeline that could be potentially awarded prior to the scheduled deliveries of the East Hub and Kraken FPSOs in 2016.

The Malaysian FPSO contractor is reported to be among the final shortlisted bidders for two floaters destined for Eni’s Etan and Tullow Oil plc’s Kudu FPSOs off Nigeria and Namibia. While decision-making could be slow due to an election in Nigeria, project watchers expect Tullow Oil to make a call soon on the Kudu FPSO contract.

Bumi Armada has a third bid lined up against Modec International Inc. and Yinson Holdings Berhad for Eni’s Sankofa-Gye Nyame FPSO off Ghana. With greenfield developments slowing down as oil companies reduce exploration and production expenses, Hassan expressed optimism that Brazil will buck the trend and press on as state-owned Petrobras has announced an ambitious target to more than double oil production to 5 million barrels per day by 2023.

Bumi Armada was edged out by a small margin in a joint bid with Brazil’s UTC Engenharia S.A. for Petroleos Brasileiro S.A.’ Libra FPSO contract against an Odebrecht Oil & Gas-Teekay Offshore Partners L.P. consortium, but Hassan hinted the firm will submit competitive bids in upcoming Brazilian FPSO contracts. As in Indonesia and Mexico, international FPSO contractors are obliged by local content or cabotage requirements to team up with domestic players to qualify for bid rounds in Brazil.

Hassan warned international FPSO contractors risk losing their relevance in the next 10 to 15 years, having been gradually squeezed out by domestic players in countries with increasing stringent local content policies. “You will have to compete with the locals: the Mexicans will control Mexico and Brazilians, Brazil,” he elaborated.

On the domestic front, Bumi Armada had already been contending with at least four other what Hassan termed as “cabotage players”, M3nergy Berhad, TH Heavy Industries Berhad, Yinson Holdings Berhad and MISC Berhad. The only way to compete with such “cabotage players” in the longer run is to develop “integrated technology and move up the value chain”, Hassan opined.
Besides developing in-house engineering capabilities for turret mooring systems, Bumi Armada has also earmarked $61.4 million (MYR 200 million) from a recent rights issue on the Malaysian bourse to acquire two new subsea umbilicals, risers and flowlines (SURF) vessels. “We have offered and are willing to offer SURF installation services,” Hassan said.

Bumi Armada has already carried out SURF installation associated with the provision of a leased FPSO for Hoang Long Joint Operating Company’s Te Giac Trang oilfield development as well as the Armada Sterling FPSO supplied to ONGC. The integrated oilfield services provider is also set to install the SURF package for the Madura BD FPSO recently awarded by Husky-CNOOC Madura Limited. Bumi Armada secured a letter of intent for a fixed term charter of 10-years plus options of five annual extensions from HCML for the supply of a leased FPSO. Source: rigzone

**THE WEBCAM IN HOEK VAN HOLLAND IS AT PRESENT NOT WORKING DUE TO A TECHNICAL ISSUE. WILL LET YOU KNOW WHEN THE CAMERA IS BACK ONLINE AGAIN, SORRY FOR THE INCONVENIENCE**

**Madura FPSO delayed**

Bumi Armada says a final decision on a $1.2bn FPSO for deployment off Indonesia has been delayed until the end of October.

The Malaysian company was named as lease contractor for the project in August under a letter of intent (LOI) from Husky-CNOOC Madura Ltd (HCML). The LOI was originally signed on 8 August and gave both parties some 45 days to finalise a contract agreement. Bumi Armada says the two parties have now mutually agreed to extend the period for the execution of the contract until 31 October. However, no details were given as to why the contract has yet to be formalised.

The FPSO is intended to be deployed on the Madura BD Field about 65 km east of Surabaya and about 16 km south of Madura Island, offshore Indonesia. Bumi Armada, which has teamed up with an Indonesian partner, will initially charter the FPSO for a period of ten years with options for five annual extensions. HCML is a joint venture between CNOOC Southeast Asia, Husky Oil Madura Partnership and SMS Development with stakes of 40%, 40% and 20% respectively. Bumi Armada is the fifth largest FPSO player in the world and an established OSV owner and operator across Asia, Africa and Latin America. Source: Tradewinds

**RECENTLY UPLOADED HIGH RESOLUTION PHOTOS:**

CLICK ON THE SHIPSNAME TO VIEW AND / OR DOWNLOAD THE PHOTO

<table>
<thead>
<tr>
<th>Shipsname</th>
<th>Type</th>
<th>Photo Location</th>
<th>Photo Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>TING KAU</td>
<td>tug</td>
<td>Hong Kong</td>
<td>10-10-2014</td>
</tr>
<tr>
<td>WAN HAI 213</td>
<td>Containership</td>
<td>Hong Kong</td>
<td>11-10-2014</td>
</tr>
<tr>
<td>SHANTOU</td>
<td>Tug</td>
<td>Hong Kong</td>
<td>11-10-2014</td>
</tr>
<tr>
<td>SHANTOU</td>
<td>Tug</td>
<td>Hong Kong</td>
<td>11-10-2014</td>
</tr>
<tr>
<td>GUILIN</td>
<td>Tug</td>
<td>Hong Kong</td>
<td>11-10-2014</td>
</tr>
<tr>
<td>HOI LIAN</td>
<td>Tug</td>
<td>Hong Kong</td>
<td>10-10-2014</td>
</tr>
<tr>
<td>HOI LIAN</td>
<td>Tug</td>
<td>Hong Kong</td>
<td>11-10-2014</td>
</tr>
<tr>
<td>HAI HOI</td>
<td>Tug</td>
<td>Hong Kong</td>
<td>10-10-2014</td>
</tr>
</tbody>
</table>

The above photos are free to download for your own collection just click on the right bottom on the arrow down symbol and click at Original Size the photo will be downloaded and you can save the photo in your files, if the photos are used for publication(s), please mention: Photo Piet Sinke - www.maasmondmaritime.com with the photo, thanks!
.... PHOTO OF THE DAY …..

Dockwise Heavy Lift vessel TERN spotted in San Francisco, ready to load.

Photo: Kees Kuyper ©

The compiler of the news clippings disclaim all liability for any loss, damage or expense however caused, arising from the sending, receipt, or use of this e-mail communication and on any reliance placed upon the information provided through this free service and does not guarantee the completeness or accuracy of the information.

UNSUBSCRIBE / UITSCHRIJF PROCEDURE

To unsubscribe click here (English version) or visit the subscription page on our website.


Om uit te schrijven klik hier (Nederlands) of bezoek de inschrijvingspagina op onze website.

http://www.maasmondmaritime.com/nl/uitschrijven/