

Number 360 \*\*\* COLLECTION OF MARITIME PRESS CLIPPINGS \*\*\* Friday 26-12-2014

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The 2013 built ITA flag and owned offshore supply ship VOS PRUDENCE underway offshore Malta from Libya on Monday 22nd December, 2014
Photo: Capt. Lawrence Dalli - <a href="https://www.maltashipphotos.com">www.maltashipphotos.com</a> (c)

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### **EVENTS, INCIDENTS & OPERATIONS**





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HAL's VOLENDAM completed her scheduled drydocking / maintenance period at the Sembawang shipyard in Singapore and continued cruising Asia – Photo: Peter Tukker (c)

## Shipping stocks up on labor disputes at U.S. West Coast ports



Shares of container shipping companies in Taiwan moved higher Tuesday morning due to labor disputes at busy ports on the West Coast of the United States, which could lead to higher shipping revenues and better bottom lines, dealers said. That combined with plummeting international crude oil prices that continue to lower shipping companies' operating costs have built expectations that shippers' earnings per share will be higher in the fourth quarter than in the third quarter, they said. As of 11:11 a.m., shares of Evergreen Marine Corp. had added 2.30 percent to NT\$22.20 (US\$0.70), with 23.03 million shares changing hands, while shares of Yang Ming Marine Transport Corp. had risen 2.88 percent to NT\$16.05

on trading volume of 42.95 million shares. The weighted index on the Taiwan Stock Exchange was up 0.20 percent at 9,112.74 Investors were reacting to the effect of protracted labor talks at West Coast ports ahead of the busy Christmas season, which has delayed deliveries of shipments in the ports and caused a large backlog at port terminals.

Those backlogs are expected to boost demand for shipping space to the East Coast, which means higher shipping rates and revenue, Hua Nan Securities analyst Henry Miao said. "To meet the busy Christmas season, these shippers' clients are expected to become more willing to pay more to get their products into the hands of U.S. consumers. It will be possible for Evergreen Marine and Yang Ming to have a better fourth quarter," Miao said.

In the third quarter, Evergreen Marine posted NT\$0.54 in EPS, compared with NT\$0.01 recorded over the same period of last year, while Yang Ming's third quarter EPS stood at NT\$0.43, compared with NT\$0.32 recorded a year earlier.

In the first nine months of this year, Evergreen Marine registered NT\$0.09 in EPS, compared with NT\$0.63 in loss per share recorded a year earlier, while Yang Ming recorded NT\$0.02 in loss per share, compared with NT\$1.31 in loss per share seen a year ago. Due to a recovery in the world economy and rising trade activity in global markets, analysts said container shipping rates quoted last Friday for routes to Europe have stayed about US\$200 higher than shippers' costs, and rates to the West Coast and East Coast of the U.S. have stayed US\$300 and US\$1,000 above their costs, respectively. "Like airline stocks, shipping stocks have benefited from a plunge in international crude oil prices. As long as fuel costs stay low, these transportation stocks will see their profitability improve," Miao said. "The labor disputes in the U.S. West Coast ports enhanced investors' faith in these shipping stocks."

According to the Hua Nan Securities, fuel costs account for about 40 percent of airlines' operating costs and about 20 percent of shippers' operating costs. Miao said that if international crude oil prices continue to stay below US\$60 per barrel next year, local container shippers could post more than NT\$1 in EPS in 2015. "Shipping stocks have been lagging behind airline stocks. Investors simply seized on the positive leads to take advantage of their relatively low valuations," Miao said. Source: focus Taiwan



The SCHELDEBANK riding high north of Texel - Photo: Flying Focus - www.flyingfocus.nl ©







From Galveston Bay HARRY & ELLEN STOTT wishing you Merry Christmas & Happy New year, Merry Christmas & Happy New year wish from Marine Inspection & Consultant DIRK VAN WOLFEREN en WILLEM HOLTKAMP wenst U fijne dagen en een voorspoedig 2015 CLICK at the cards to enlarge the cards!





The DALE assisted by the SMIT EBRO inbound in Rotterdam-Europoort – Photo : Cees van der Kooij (c)

## China stops work at Yemen oilfield after terror threat

Sana'a: Operations at an oilfield and processing facility in Yemen have been halted after terrorist threats were received by operator **Nexen**, a subsidiary of **China National Offshore Oil Corporation (CNOOC)**. Nexen shutdown the Block 51 field operations and BAK PF processing facility after the company received the threats from Al Qaeda. Operations will not resume until the local situation is safe for workers to return, the company said. Nexen is engaged in developing energy resources in some of the world's most significant basins including the UK North Sea, offshore West Africa, the United States and Western Canada. The company was acquired by CNOOC in 2013. **Source**: **Gulfshipnews** 







From Captain – Officers and Crew MV FJORD Merry Christmas and happy 2015, IVER SHIPS wishes you Merry Christmas and a Happy New Year, MERRY CHRISTMAS & A HAPPY 2015! From LION shipbrokers CLICK at the cards to enlarge the cards!

### Atlantic bags new tug

Singapore-based Atlantic Navigation has purchased a new 5,150 BHP anchor handling tug supply (AHTS) vessel with a joint venture company and revealed charter extensions for two other vessels in its fleet. It has purchased the

DP-1 capable AHTS for \$12m in conjunction with **Atlantic Venture**, a company in which it owns 51% that was set up last month in the British Virgin Islands with an authorised share capital of \$4m. The Atlantic group will have an exclusive contract to manage the vessel for three years. Automatic annual renewal of the contract will follow subject to key terms being revised and mutually agreed between it and Venture. The vessel is to be deployed on a short-term charter immediately upon arrival in the UAE in early January 2015. Separately, the group has secured extensions for the charter of its jack-up accommodation barge, which is supporting an oil company's offshore activities in Abu Dhabi, and an AHTS working in Africa. The contracts have been extended for one year, at an aggregate value of some \$18m, with an option to extend for one more year. Extensions would bring the total potential contract value to about \$33m. The investment in Venture was funded by a combination of Atlantic's internal resources and bank borrowings. The company says it is not expected to have a material impact on the group's consolidated net tangible assets per share and earnings per share for the year ending 31 December 2014. The new AHTS-DP1 vessel was Atlantic's fourth addition to its fleet in the 2014 financial year, and the group now owns, operates, and charters a fleet of 16 offshore support vessels. Source: Tradewinds





**Andrew** was up with the sparrows for this sunrise shot, (and that is early ! ©) the **BAO TONG** IMO 9698587, 2014/36317gt commissioned 13-09-2014, built Chengxi Shipyard-Jiangyin China, owner Baoyuan International, bound for Geelong off Portsea 24-12-2014. **Photo: Andrew Mackinnon – www.aguamanships.com** ©







Merry Christmas and a Happy New Year from the crew onboard the **ZEUS** and Merry Christmas and happy new year from the crew onboard the **STENA TRANSPORTER** and **JAN BABICZ - Baobab Naval Consultancy** wish you all Merry Christmas and a Happy Prosperous New Year . **CLICK at the cards to enlarge the cards!** 



The PAUL E outbound from Rotterdam - Photo: Kees van der Kraan ©

## Maersk Line: We're Not Profiting from Low Bunker Prices

Despite the continued falling price of crude, and by association, bunker prices, Maersk Line Asia Pacific CEO Lars Mikael Jensen said that the company was not profiting from lower fuel prices, reports Singaporean media.

Jenson said that while the bunker adjustment factor has so far allowed the company to adjust their pricing depending on whether fuel prices rise or fall, it has also prevented Maersk from realising any significant savings. "Our long-term contracts have a mechanism called bunker adjustment factor, which allows us to adjust our pricing depending on the rise and fall of bunker prices. This ensures mutual hedging and we're not profiting from low fuel prices," he said.



The GERNER MAERSK arriving in Rotterdam-Europoort assisted by the KOTUG tugs SD REBEL, SD SHARK and RT EVOLUTION Photo : Cees van der Kooij ©

How the lower fuel prices can benefit us is that it will potentially stimulate economic and trade growth Jenson said that Maersk will be pinning some of its hopes on the growing South-east Asian trade, which he says is expected to grow 6-7 percent next year, versus the 3-5 percent predicted globally. The goal, he says, is to ride that wave and grow Maersk Line in the Asia-Pacific region. "We are only in the middle of the pack when it comes to regional market share - but we will not grow that by being dirt cheap."We will grow because of our operating efficiency, our product range and our ability to help global customers enter new territories in the emerging South-east Asia."A.P. Moeller-Maersk CEO Nils Anderson had previously announced in the first half of November that the company would be passing along the savings resulting from the oil price collapse onto customers Source: Ship & Bunker News Team

### Ferry turns back after fault

Passengers had their travel plans thrown into disarray when a CalMac ferry was forced to turn back to port last Monday night. The MV LORD of the Isles aborted her voyage to Barra and South Uist due to a "technical fault." It is unclear what the problem was. It is not thought to be connected with an earlier issue with her PA system as the ship immediately went back to sea off Oban for a period – without passengers. The MV CLANSMAN picked up the Outer Isles passengers who had been suffered a cancelled sailing the day before. She was due to dock in Lochboisdale after

3am. Monday the MV **LORD** of the Isles was already three hours late in departing Oban while electricians tried to fix an earlier problem with the safety announcement system. A Cal Mac spokesperson said: "The 2.30pm sailing departed Oban at 5.20pm but had to return to Oban with a technical fault." **Source: pressandjournal** 









Season Greetings from **HENK VAN ROOIJEN –Asian Dredging Consultancy** and the crew of the **NORSKY** wish you a Merry Christmas and a Happy New year en **LIES** en **EMMY WIJNHORST** wensen U Prettige feestdagen en een gelukkig 2015 **CLICK at the cards to enlarge the cards!** 

## Sierra Leone News:Karel Doorman brings sid supplies to Freetown



Royal Netherlands Navy Vessel JSS KAREL DOORMAN arrived in Freetown for the second time in five weeks. It will deliver 871 metric tons of supplies, 37 vehicles and 23 containers filled with medical and relief supplies, medications and other items needed in support of the response to contain and end the Ebola virus disease. The items are offered by some of the participating states in the EU Civil Protection Mechanism: the Netherlands, United Kingdom, Germany, France and Belgium, as well as UNESCO and WFP. The transportation cost of this vessel is co-financed by the EU Civil Protection Mechanism. Source: AWOKO

Photo: Francis Ferro ©

### South Korean Maritime Minister Resigns After Sewol

South Korea's maritime minister Lee Ju-young resigned on Tuesday after handling the aftermath of April's Sewol ferry disaster which claimed more than 300 lives, mostly school children. President Park Geun-hye announced the minister's resignation during a cabinet meeting and said that Lee's dedication to the recovery efforts deeply moved the victims' families and the general public, reports Yonhap News. Lee remained on site in Jindo for 136 days while the search for

missing people was conducted. I believe Lee showed the true image of a public official who must serve the public and expect him to play an even larger role for the nation wherever he goes, said Park.

Sewol capsized with 476 people on board while it was en route to the southern resort island of Jeju. To date, nine people remain missing and 295 have been confirmed dead. Poor steering, cargo overloading and excessive remodelling of the ferry have been cited as causes for the sinking. Lee Joon-seok, the captain of the sunken ferry, was sentenced to 36 years in prison for abandoning passengers, but he was acquitted of murder charges. Other crew members have received jail terms ranging from 5 to 30 years. Some of the ferry's crewmembers were among the first to leave the vessel after the children on board were told to stay in their cabins and await further orders.

Park's government has been criticized over its handling of the initial response, and the nation's Coast Guard has since been dismantled. Then prime minister Chung Hong-won announced his resignation shortly after the tragedy. About 50 rescue-related officials have been ordered to resign or face punishment. The search for missing people was formally ended on November 11. Source: MAREX









A World of Good wishes from **VSHIPS Offshore** and from Dordrecht in the Netherlands **Capt HANS BOSCH** wish all readers a Merry Christmas and a safe and healthy 2015 and from Curacao a Merry X-mas & best wishes for 2015 from **DAMMERS group of companies CLICK at the cards to enlarge the cards!** 

# The CMA CGM TIGRIS, fourth of a series of 28 ships of a 9,400 to 10,900 TEUs class, enters the CMA CGM fleet

CMA CGM Group is pleased to announce the CMA CGM TIGRIS was delivered on December 23rd, 2014 in China. The CMA CGM LITANI (10,622 TEUs) is the third of a series of 28 vessels from 9,400 TEUs to 10,900 TEUs, vessels which will be delivered from now to the third quarter of 2016. Last June, the Group received the delivery of the first vessel of this series: the CMA CGM DANUBE. Each vessel of this one-of-a-kind series will be named after a famous river of the world.

The CMA CGM TIGRIS will be a chartered bareboat sailing under the Malta flag, and the result of collaboration between the Chinese shipyards NTS (New Times Shipbuildings, Jiangsu Province, People's Republic of China), CIMC



group and the CMA CGM Group experts. The vessel, built within about 10 month since her keel was laid and delivered on-time, shows once again since the CMA CGM LITANI delivery on December 3rd, which was the first CMA CGM Group's vessel from those shipyards - NTS shipyards' construction proficiency. 300m in length and 48m in width, it was designed to offer maximal loading capacity. With a capacity of 1458 reefer plugs 40', which is the largest so far on such a ship, the CMA CGM TIGRIS

embodies the Group's ambition to be a leader in this growing market. The **CMA CGM TIGRIS** will be positioned on the SEAS2 Line, and operated on the following rotation: Shanghai, Ningbo, Chiwan, Hong Kong, Singapore, Port Kelang, Santos, Paranagua, Buenos Aires, Montevideo, Rio Grande, Itapoa, Santos, Durban, Port Kelang, Singapore, Hong Kong and Shanghai.

In line with the sustainable development policy of the Group, the **CMA CGM TIGRIS** is equipped with all the latest environmental technologies which significantly reduce its CO2 emissions, as well as the Group's carbon footprint. More particularly, it is equipped with new bulbous bow shapes improving the hydrodynamics of the vessel at a speed of 16 to 18 knots. As well as: An electronically controlled long stroke engine with an exhaust gas bypass system offering the best in fuel consumption, A twisted leading edge rudder with bulb and A ballast water treatment system







The crew of **HLV RAMBIZ** wishes everybody the very best for 2015 and a merry Christmas vanuit 'sGravenzande **FRANS** en **ARJA DE LIJSTER** wensen u gezegende Kerstdagen en een gelukkig nieuwjaar, and Lidia of **TRANSAS** wish you and your loved ones Merry Christmas and a happy new year, have wonderful 2015 **CLICK** at the cards to enlarge the cards!

### Lakers ready for layup in the Twin Ports

Great Lakes ships are getting ready for winter layup and repairs in the Twin Ports.

Fraser Shipyards will do steel work and repairs for seven boats in the harbor this winter. Operations Director Tom Curelli says they're doubling their workforce to about 200 people. "We're really grateful the vessels keep coming back here," said Curelli. "We're a good place for them to have their work done because they're right here at the start of the year where they can take their load and head right down to the lakes." Lake Carriers Association Vice President Glen Nekvasil said they expect U.S. flag vessels on the Great Lakes to spend about \$75 million for inspections, surveys and repairs. Lakers will carry cargo until the Soo Locks close on Jan. 15.

"Typically we'll see some iron ore running out of Escanaba until the end of January," said Nekvasil. He expects many lakers to arrive for layup in early to mid-January. "Engines are going to be overhauled, and they're going to be replacing some conveyor belts on the self-unloaders and relining some cargo holds," he said.

Fraser's Curelli said they'll conduct maintenance for eight to ten weeks on the vessels. The boats are inspected by the U.S. Coast Guard and the American Bureau of Shipping."Of course, when they go through to do their surveys and

inspections, they'll find little things here and there that need to be repaired before they can go back out in the spring," said Curelli.Last winter, Fraser Shipyards had 10 boats in the harbor. Curelli said they saw more damage to propellers and rudders last year with the harsh winter. "All the boats got here through the ice. There was a lot of repairs that had been building up over the year," he said. "But, when they departed here, most of them ended up coming back for a little bit with ice damage. It was kind of like the gift that kept on giving." Nekvasil said around \$6 million was spent this past spring to repair ice damage to boats. "Fortunately the ice has not been an issue yet. We're getting those cargoes in and hopefully it stays that way," Nekvasil said. The last oceangoing vessel left the Twin Ports this weekend. Source: businessNorth



### **UNKNOWN VESSEL SPOTTED AT LANTAU TSS**



Newsclippings contributor **Willem van Woercom** spotted at 23 December at the Lantau TSS a mystery ship with no name of the bow and the stern and no AIS identification. The stern looks like a regular container vessel while the midsection is made submersible. It was flying the Chinese flag as only identification. Maybe one off the readers know more about this vessel , please revert to <a href="mayercom">newsclippings@gmail.com</a> © further more **Willem wishes all**<a href="mayercom">readers</a> a prosperous 2015! - Photo: Willem van Woercom ©</a>

## SvitzerOSM awarded crew management contract

OSM and Svitzer Australia's joint venture crew management company, SvitzerOSM, have recently been awarded a crew management contract by Svitzer for two Anchor Handling vessels. The vessels, Svitzer TBA and Svitzer TBA, are in the final stages of completion in Batam, and will enter service for a 20 year contract period in late 2014 where they will work for Oil Search in Papa New Guinea, the company said in its press release.

This will be the first such contract outside of Australia for SvitzerOSM, which is exciting and will utilize some OSM global resources and expertise, further strengthening the team work between the companies. Mark Williamson, Commercial Director of SvitzerOSM (Australia) says of the contract, "This is an exciting contract and is precisely what

we are aiming for in raising the awareness of SvitzerOSM. The multi-year nature of this contract is a reflection of the trust that Svitzer has is our capabilities which reaffirms the purpose of forming this partnership together."

SvitzerOSM was established in December 2013, as a joint venture between OSM and Svitzer Australia, an Australian based marine services company. The joint venture was formed to provide crew management services (with Australian seafarers) to vessel and rig owners working within the region, as well as for Svitzer operations outside of Australia.

Currently, SvitzerOSM are providing crew for Maersk Supply Service in Australia and plan to expand on that service throughout 2015. Source: PortNews







The **EURORIGGING** team wishes you Merry Christmas and a Happy New year , Season Greetings from **SALEN SHIPPING MANAGEMENT** and **GERRIT J DE BOER** wish you Merry Christmas and a happy new year **CLICK at the cards to enlarge the cards!** 



selfie of the **TERASEA EAGLE** made on 22/12/14 @ Kaohsiung OPL anchorage. **Photo: Capt Serge Prakhov - Master Terasea Eagle** ©

## First Commercial Vessel Call at APM Terminals New Maasvlakte II Facility

The 4,360 TEU capacity **Sealand Eagle** became the first container vessel to call the new Maasvlakte II expansion of the Port of Rotterdam, making the short journey from the existing APM Terminals Rotterdam terminal to the deepwater quay at the new APM Terminals Maasvlakte II terminal to reposition empty containers as part of the ongoing commercial volume tests of the world's most advanced port container handling facility. The unloading operation began on Wednesday, December 17th. The operation was completed employing the new remotely operated Ship-to-Shore (STS) quay cranes, working in conjunction with Lift-Automated Guided Vehicles (Lift-AGVs) and the automated stack system. Since early 2014, APM Terminals trained 45 remote operators by accessing advanced simulator technology from the same remote operating control stations which will be used for vessel operations. Further deep-sea vessel calls are planned for January 2015, in preparation of the full commercial opening for regular weekly operations in February

2015. The facility began landside commercial operations with the opening of the truck gates and rail terminal in November 2014. Currently trains call the Maasvlakte II rail terminal three times per week.

The 86 hectare (212 acre) APM Terminals Maasvlakte II facility includes a 500-meter barge quay, 1,000-meter deep quay and an on-dock rail terminal with four tracks of 750 meters, providing an annual container throughput capacity of 2.7 million TEUs. To support the planned 2.7 million TEU capacity, APM Terminals has also signed two additional contracts for advanced container handling equipment. A contract was concluded for one additional STS barge crane with Liebherr Container Cranes for delivery mid-2016. The crane will complement the two barge cranes currently in operation.

An order has also been placed with Terex Gottwald for an additional 25 battery-powered Lift-AGVs and 58 storage racks. These will be deployed at the Automated Rail-Mounted Gantry (ARMG) crane container stacks, and at the rail terminal. The order increases the number of Lift-AGVs at the facility to 62, and the number of storage racks to 154. The rack installation will begin in February 2015, with vehicle deliveries beginning mid-year.APM Terminals Maasvlakte II has been specifically designed for optimal efficiency and productivity when handling the newest ultra large container ships (ULCS) entering into the global container ship fleet. Source: APM Terminals







**LLOYDS REGISTER** Wish you and your beloved ones a very joyful X'mas and bountiful 2015, the crew onboard the TSHD **UTRECHT** wish all readers a merry Christmas and a happy new year en **JAN RAMAKER & INEKE VAN DER HOEK** wensen U Prettige kerstdagen en een gezond 2015 **CLICK at the cards to enlarge the cards!** 



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## Official Announcement NMT Singapore Branch

**Netherlands Maritime Technology** hereby announces that the office in Singapore will be closing as of December 31st 2014. Starting January 1st 2015 we will continue to serve you from our head office based in Rotterdam, the Netherlands. After 3 years of having a Singapore office, the board of our association evaluated and came to the conclusion that it is no longer feasible to continue the operations from the Singapore office. Despite this decision, the South-East Asian region will continue to be of major importance for us.

From January 1st, your contact person Mrs. Marjan Lacet can still be reached via the same E-mail address: <a href="mailto:lacet@maritimetechnology.nl">lacet@maritimetechnology.nl</a>, Telephone: +31 (0)10 44 44 333, Mobile: +31 (0)6 12 42 70 62 and Skype:

marjan.lacet. We would like to take this opportunity to thank you for a good cooperation and are looking forward to continuing this in the future. Please do not hesitate to contact for further information.

# Dry Bulk: Second hand vessel prices edge down by the day on the back of weak freight market

The gradual fall of the dry bulk freight market over the course of the past couple of months was enough to erase the rally which preceded and in essence dent any hopes that were left about the market staging a sustainable recovery this year. At the same time, as the end of the fourth quarter is approaching, shipbroker Intermodal noted that "we are all witness to the second hand market prices softening day by day. Any new deal surfacing the market is at significantly lower level compared to the previous last done. In this respect, some Owners are accepting these new discounted levels, accepting the new asset level reality, whereas others prefer to withdraw their ships or chose to wait, hoping to find more eager Buyers who can pay their aiming levels", said the shipbroker Snp Team in its Shanghai office.

According to Intermodal's data, "for the modern dry bulker tonnages, owners are still holding back and are insisting on asking prices, which in some cases are more in sync with the levels of the market six months ago. Most of them, however, are trying to fix the ships in small period contracts that will help them sit through the bad market in the next few months, hoping that by the end of the contracts they will face a better market. Some unrealistically priced sale candidates, which still remain in the market, have created a small increase in the supply of tonnage for sale which does not help the more serious Sellers to get a good or at least a decent price for their vessels" At the same time, in yet a worrysome sign, "demolition prices are softening every week and the period of time where the prices were around 480-500 usd/ldt for bulkers is well behind us. Today, we can see Owners receiving figures at around 420-430 usd/ldt basis delivery in Bangladesh or West coast of India. Many people in this industry are pessimistic and they don't expect any increase in demo prices in the near future, with some expecting average demo bids to fall below the 400 usd/ldt mark sooner rather than later. The iron ore and steel price remain on a downward slope, while the continuous imports of cheap Chinese scrap steel is still the main hurdle faced by demo breakers in the Indian subcontinent".

Intermodal added that "the softening of the demo market has had a big impact on the selling prices of the early/mid 90s built dry bulk carriers since their value calculation is usually based on the demo price plus a premium. This is most notable on Panamax and Handymax dry bulk tonnage, which have lost significant value during the past months and all this doesn't seem to be changing soon, as the vessels on the market are too many and the majority of the Buyers are based in China, who is well accustomed in being patient in order to get something cheap. Chinese Buyers already seem to be attracted by the present lows of the market and there is definitely some warming up of activity here. However, as everybody has a feeling that prices will most probably keep dropping, as a result of the continuously softening demo prices, most potential Buyers chose to wait a little further before they invest in second-hand tonnage. The logic behind this is that instead of acquiring now a low-mid 90's blt ship, there might be an opportunity in the very near future to purchase, at a similar value, a late 90's blt tonnage". Finally, the shipbroker noted that "hopefully, these bad market conditions will come to an end soon. If this situation persists for long enough though, everybody involved in the industry will start facing problems. On the other hand, this hasn't had a significant effect on Tanker Owners who are trading in a significantly improved freight market, ever since oil prices dropped and demand of oil increased. But whether this perfect storm will continue to favor the tanker market is the million dollar question here", Intermodal concluded. Source: Nikos Roussanoglou, Hellenic Shipping News Worldwide

# Ships face lower sulphur fuel requirements in emission control areas from 1 January 2015

Ships trading in designated emission control areas will have to use on board fuel oil with a sulphur content of no more than 0.10% from 1 January 2015, against the limit of 1.00% in effect up until 31 December 2014.

The stricter rules come into effect under the International Convention for the Prevention of Pollution form ships (MARPOL) Annex VI (Regulations for the Prevention of Air Pollution from Ships), specifically under regulation 14, which covers emissions of Sulphur Oxides (SOx) and particulate matter from ships. These requirements were adopted in

October 2008 by consensus and entered into force in July 2010. The emission control areas established under MARPOL Annex VI for SOx are: the Baltic Sea area; the North Sea area; the North American area (covering designated coastal areas off the United States and Canada); and the United States Caribbean Sea area (around Puerto Rico and the United States Virgin Islands). Outside the emission control areas, the current limit for sulphur content of fuel oil is 3.50%, falling to 0.50% m/m on and after 1 January 2020. The 2020 date is subject to a review, to be completed by 2018, as to the availability of the required fuel oil. Depending on the outcome of the review, this date could be deferred to 1 January 2025. Ships may also meet the SOx requirements by using gas as a fuel or an approved equivalent method, for example, exhaust gas cleaning systems or "scrubbers". Frequently Asked Questions about sulphur limits in emission control areas in 2015, HERE Annex VI REGULATION ON SOX EMISSIONS

Source: IMO

## Evergreen unveils plan to charter six 18,000 teu containerships

Taiwan's container line **Evergreen Marine** is planning to charter six 18,000 teu containerships in a bid to reduce unit operating costs. The company's board of directors have approved the plan on Monday and believed that the use of larger sized boxships will enhance the line's operating performance and help to meet stringent requirements for environmental protection by lowering fuel use and emissions."In order to optimize its competitiveness, the company is planning to take advantage of economies that the latest shipbuilding technology and design affords and introduce these ships of 18,000 teu to Evergreen Line's operating fleet."The line believes that the terms of the CKYHE alliance's service cooperation will enable it to utilize the capacity of these vessels efficiently, to reduce unit operating costs and to produce the maximum economic benefit from its fleet," Evergreen said in a statement. The CKYHE alliance includes Cosco, K Line, Hanjin Shipping and Yang Ming Marine. Evergreen has yet to select the shipowners to provide the 18,000 teu containerships."Once more these newly chartered ships will be part of Evergreen's long-term fleet renewal program and, as such will be replacing existing vessels on charter, which will be redelivered when the agreed terms of their charters expire," it commented. Source: Seatrade Global



## Buckie lifeboat called to broken-down fishing boat

A father and son were left stranded in the waters of the Moray Firth this morning when their fishing boat broke down. The Buckie lifeboat was called to help when the vessel's engine stopped working around one mile east of Findochty at around 10.15am. The lifeboat towed the boat into the harbour by 10.45am. An Aberdeen Coastguard spokesman said: "The Buckie lifeboat went out to tow in a little boat with two guys on board, just broken down because there was water in the fuel. "They called us about 10.15am. They got back in just on 10.45am." Source: pressandjournal

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### Aegean Marine Petroleum to Commence Offshore Operations in the Gulf of Mexico

Aegean Marine Petroleum Network Inc. announced that it will commence immediate marine fuel supply operations in the Gulf of Mexico. In support of its operations the Company has also assumed the contracts for two ocean-going bunkering tankers previously under charter to OW Bunker and expects to purchase the fuel on-board. E. Nikolas Tavlarios, President of Aegean Marine Petroleum Network, commented, "We are capitalizing on another opportunity to grow our global footprint, diversify our operations into a new and attractive market and expand our ability to service our customers on a worldwide basis. With these specialized tankers and their highly trained personnel in place we can immediately begin servicing the specific needs of vessels transiting the Gulf of Mexico, leveraging our capabilities and driving profitable revenue growth. We believe that we are well-positioned in this market and are excited to provide customers in the region with a full range of marine fuel products. As we continue to advance our leadership in the marine fuel industry, we remain committed to a risk-averse growth strategy that has, and we believe will continue to, deliver value to our shareholders."

Aegean Marine Petroleum Network Inc. is an international marine fuel logistics company that markets and physically supplies refined marine fuel and lubricants to ships in port and at sea. The Company procures product from various sources (such as refineries, oil producers, and traders) and resells it to a diverse group of customers across all major commercial shipping sectors and leading cruise lines. Currently, Aegean has a global presence in 28 markets, including Vancouver, Montreal, Mexico, Jamaica, Trinidad and Tobago, Gibraltar, U.K., Northern Europe, Piraeus, Patras, the United Arab Emirates, Singapore, Morocco, the Antwerp-Rotterdam-Amsterdam (ARA) region, Las Palmas, Tenerife, Panama, Hong Kong, Barcelona, the U.S. East Coast, Los Angeles, Long Beach and Algeciras. The Company has also entered into a strategic alliance to extend its global reach to China. Source: Aegean Marine Petroleum Network Inc.

## Burnham RNLI volunteer delivers own daughter at home

Lifeboatman Matt Edwards remained calm and in control when he unexpectedly had to deliver his baby daughter at



home in Burnham-on-sea, North Somerset. Mr Edwards' partner, Abbey, experienced some pains four days before their baby was due. As a first-time father, Mr Edwards sought advice and was told to call for an ambulance. His daughter Lottie, however, had other ideas, and he found himself delivering her at home; all within 10 minutes. The proud father, who is also a keen cricketer, said tongue in cheek afterwards: "As a wicket keeper I have a good pair of hands." As an RNLI volunteer crew member Mr Edwards is trained to cope with pressure situations but midwifery skills are not part of the training. Everyone at the station is pleased that things went smoothly and are not surprised that he coped so well.

He has also just been given the Lifeboat Operations Manager's award, which is presented for outstanding work over the past year. Lifeboat operations manager, Matt Davies said: "I chose Matthew for this award as he is an excellent, hard working member of the lifeboat crew at Burnham. He has made huge strides in the three years since he joined us, having had no sea-going experience at all, and has recently passed out as a fully competent crew member having completed all his probationary training units. He has also agreed to move on to become a probationary helmsman, showing his future commitment to the RNLI."The RNLI wished Mr Edwards, his family and all its supporters a merry Christmas and a happy new year. Source: westerndailypress

### Vinalines valued at \$1 billion

The Vietnam Shipping Lines Corporation (Vinalines) has completed the process of value assessment to that it can carry out privatization in the first quarter of next year. According to consultants, the actual value of the parent company Vinalines at the time of December 31, 2013 is approximately VND21 trillion (\$1 billion) compared to the book value of about VND18.2 trillion. In particular, the value of the State capital in the enterprise is more than VND8.3 trillion. After the evaluation result is approved by the Equitization Steering Committee of Vinalines, it will be submitted

to the Ministry of Transport next month for Minister Dinh La Thang's approval of its equitization. According to the latest adjustment, Vinalines will conduct an IPO (initial public offering) at the same time with the Saigon Port in the first quarter of 2015. Earlier this month, the value of Saigon Port was also identified, at approximately VND4 trillion. Saigon Port is a subsidiary of Vinalies. Earlier, Mr. Nguyen Hong Truong, Deputy Minister of Transport, and Head of the Vinalines Equitization Steering Committee said that the state could sell 65-70% stake in this business because the shipping industry is not the area that the state needs to hold controlling stakes. He was very confident that this rate is workable because Vietnam belongs to one of the largest international sea lanes and the maritime transport market is gradually recovering. However, according to a decision issued by the Prime Minister in June, the State will still hold from 50% to 65% stake in the marine shipping industry and 75% or more at important seaports. Nevertheless, the government recently agreed to adjust the percentage of shares owned by the State to 51% at key ports such as Hai Phong, Da Nang and Saigon. Source: VietNamNet Bridge



### **BW Offshore Gets FPSO Umuroa Extension**

**BW Offshore** has received a one year contract extension for the lease and operation of the **FPSO UMUROA**. The FPSO is operating on the Umuroa field offshore New Zealand for AWE. The firm period has been extended to Q4 2016 (from Q4 2015). BW Offshore is a leading global provider of floating production services to the oil and gas industry. BW Offshore is the world's second largest contractor with a fleet of 14 FPSOs and 1 FSO represented in all major oil regions world-wide. The company also operates additional 2 FPSOs. BW Offshore has a long track record on project execution and operations, as well as a robust balance sheet and strong financial capabilities. In more than 30 years of production, BW Offshore has executed 37 FPSO and FSO projects. For more information, please visit: www.bwoffshore.com

## Innovation Funding for Offshore Wind Cable and Mooring Connectors

**First Subsea**, has been awarded £130,000 of Process Technology Innovation Funding under the Government's GROW:Offshore Wind programme. The award is for development of a monopile interface connector and hang off cable connector for offshore wind farms; and top tension mooring connector for floating wind turbines. These developments will place the UK at the forefront of offshore wind cable connector and mooring technology.

The most labour intensive and time-consuming element of installing power cable into an Offshore Wind monopile is its connection and termination. First Subsea's patented connection systems are designed to streamline the cable installation process with its combination of monopile interface connector (MIC) and hang off cable connector (HOC) for both traditional and pre-stripped cable. The MIC secures the cable's monopile connection while the HOC holds the cable in position on the hang-off deck ready for connection. First Subsea believes the GROW OffshoreWind investment will greatly accelerate the development of patented connection systems. In addition to significant installation time savings offshore, they will provide robust and foolproof connections that can be readily adapted for a range of offshore wind turbines and cable protection systems. "As the offshore wind industry strives to reduce turbine deployment costs, our connector is a major breakthrough in facilitating quicker and safer installations," says John Shaw, managing

director, First Subsea Ltd. "The GROW:Offshore Wind award will allow us to develop our engineering and production teams, and produce trial connectors to undertake full scale testing in collaboration with the offshore wind industry."

#### Offshore Wind Mooring & Tensioning Connector

Another key part of the Innovation Funding Award is development of a patented mooring and top tension connector for the deployment of wind farms further offshore at water depths in excess of 80m, where monopiles are considered impractical. The top tension connector will allow installation contractors to tension a floating turbine's mooring lines without the need for divers, ROVs and specialist surface vessels. It uses a simple push and grip technology to connect mooring lines to a range of floating wind turbine platforms.

John Shaw again, "This is a particularly exciting development – new mooring technologies will be key to the success of deploying floating wind farms in deeper waters. The mooring and tensioning connector is designed to withstand the kinds of dynamic forces likely to be experienced in the high sea states needed for power generation."

#### **GROW Offshore Wind**

**GROW:OffshoreWind** is supported by the Government's Regional Growth Fund, working to help English companies win contracts and create employment in the offshore wind supply chain, and delivered by industry experts from the Manufacturing Advisory Service (MAS), RenewableUK (RUK), Grant Thornton and the Advanced Manufacturing Research Centre.

RenewableUK brings unrivalled offshore wind sector insight, knowledge and industry contacts. This influence is encapsulated by RUK's Supply Chain Strategy Group, which has representation from the offshore wind turbine OEMs together with significant lower tier suppliers. The Knowledge Transfer Network (KTN) is an independent company established by Innovate UK (formerly the Technology Strategy Board) to enhance the development and commercialisation of UK innovations critical in sustaining its global innovation leadership and economic competitiveness. The Offshore Renewable Energy Catapult is a technology innovation and knowledge centre. By combining world-class research, development, demonstration and testing facilities with leadership, industrial reach and engineering expertise, it helps to accelerate the design, deployment and commercialisation of renewable energy technology innovation. For more information, please visit: <a href="https://www.firstsubsea.com">www.firstsubsea.com</a>

### Mutiny Erupts on Cunard Christmas Cruise

Cruise ship passengers departing from Southampton were forced to circle the English Channel due to bad weather.

More than 2,000 passengers were stuck on board the **QUEEN ELIZABETH** cruise ship after it spent four days doing circles in the English Channel because the vessel was unable to dock at Amsterdam. According to the UK's Daily Echo, passengers staged a "mutiny" in protest over the decision to turn back to Southampton early, and stormed the reception desk chanting "We want the captain!"

Cunard, who operates the ship, offered passengers compensation of an on-board spending credit as a goodwill gesture. The line stated that guests were able to enjoy the ship's facilities, which were open throughout the trip. The captain looked at two alternative ports of call which were both unsuitable due to similar weather conditions. Some passengers also complained of a strong smell of diesel at the front of the ship throughout the trip. The ship returned to Southampton one day early because of engineering works. Source: MAREX

Note: Fully agree with the Captain. Safety first! As one old captain once said, the worst cargo he ever carried was people.

### Oil Drillers Under Pressure to Scrap Rigs

Offshore oil-drilling contractors, who last year were able to charge record rates for their vessels, are now under pressure to scrap old rigs at an unprecedented pace. The recent five-year low in oil prices is threatening an industry already grappling with a flood of new vessels and weakening demand. More than 200 new rigs are scheduled to be delivered in the next six years. That's a 25 percent jump from the number currently under contract.

To cope, many rig owners will try to keep revenue up by culling older vessels to balance supply and demand. "The older assets, particularly those built before the 2000 time period, are really less desired by the industry," James West, an analyst at Evercore ISI in New York, said in a phone interview. Those vessels "are only causing the customer base to use those rigs against higher quality rigs to get pricing lower." About 140 older rigs would need to be scrapped to make way for

the new vessels scheduled for delivery by 2020, according to Andrew Cosgrove, an analyst at Bloomberg Intelligence. That pace would double the number scrapped in the previous six years and even eclipse the 123 vessels retired since 2000, according to data compiled by Bloomberg.

Booming offshore exploration earlier in the decade encouraged a flurry of rig orders. That's now leading to a potential market crash in a global industry pegged to generate revenue of \$61.5 billion this year. Low oil prices are compounding the problem, alarming investors.

#### 'Getting Pneumonia'

Three of the five worst performers in the Standard & Poor's 500 Index this year are offshore rig contractors: Transocean Ltd., Noble Corp. and Ensco Plc. Hercules Offshore Inc., the largest provider of shallow-water rigs in the Gulf of Mexico, has fallen 84 percent as producers consolidated and drilling was postponed. "There is an old saying: If our customers get a cold, we get pneumonia," John Rynd, chief executive officer of Houston- based Hercules, told investors this month. "We're getting pneumonia right now."

Next year may be worse. Explorers and producers are expected to cut offshore spending by 15 percent, with "grievous" cuts coming for exploration, Bill Herbert, an analyst at Simmons & Co., said in an e-mail.

Earnings for the world's five biggest offshore rig contractors are expected to fall an average of 18 percent, according to analysts' estimates compiled by Bloomberg. Only one company is seen increasing profit in 2015: Seadrill Ltd. The third-biggest offshore rig contractor by market value has 75 percent of its rigs backed by contracts next year, the highest among the five largest drillers, according to BI.

Retiring older equipment that no longer meets current standards also eliminates a cash drain. Floating rigs left idle in a harbor can cost as much as \$12,000 a day to sit "cold stacked," meaning they're not part of the supply of rigs being marketed for new work.

#### Scrapping Floaters

The contraction is already under way. Transocean, owner of the biggest fleet of offshore drilling rigs, said in a statement last week it will scrap seven "floaters" in addition to the four it previously announced and will take a fourth-quarter charge in the range of \$100 million to \$140 million as a result. Floaters, typically for deep-water jobs, are distinguished from "jackups," which have retractable legs that moor onto the seafloor until drilling is done. Transocean and Hercules are expected to scrap the most vessels in the near term, according to BI. Hercules has seven shallowwater rigs, all in the Gulf of Mexico, that have been cold-stacked for an average of five years.

A spokeswoman from Vernier, Switzerland-based Transocean declined to comment about further plans to decrease its fleet and referred to last week's statement, which said "additional rigs may be identified as candidates for scrapping." Hercules and Noble Corp. didn't return phone and e-mail messages seeking comment, and an Ensco spokeswoman had no immediate comment.

#### 'Scared? No'

In addition to killing off older rigs, drillers are taking other steps to preserve cash. These include suspending dividends and share buybacks, delaying construction of new rigs already ordered and deferring costly five-year maintenance checkups wherever possible. Some companies are even delaying tugging new rigs halfway around the globe from construction shipyards in Asia to defer mobilization costs. The immediate future may not be totally bleak. While Rynd may be concerned, he sees the current downturn shaping up better for his company than the last one, in 2009, because Hercules has better liquidity this time around.

#### "Am I scared? No," Rynd said.

For producers, lower drilling vessel costs may help encourage them to push ahead with exploration despite oil's drop. Houston-based oil producer Noble Energy Inc. says this is a good time to lock up relatively inexpensive leases on rigs.

#### 'Healthy State'

"In kind of a backwards way, pullbacks like what we're seeing today are good" for explorers, Noble Energy Chairman Charles Davidson told investors Nov. 13 at an energy conference. "Why wouldn't you drill in deep water? I like \$300,000 a day versus \$500,000 a day, any day."Rig owners will essentially be at the behest of their customers next year, said Luke Lemoine, an analyst at Capital One Financial Corp. in New Orleans.

"Price doesn't necessarily drive demand," Lemoine said in a phone interview. "Demand generally drives the price." If the industry is to return to "a healthy state," older rigs will have to be scrapped, not spun off into separate companies as has been the case, Seadrill CEO Per Wullf said last month. Rig owners including Transocean, Noble Corp. and Pride International Inc., which was later bought by Ensco, have spun or sold off older rigs that never got scrapped.

"This industry has a long history of value destruction," Wullf said on a conference call. "Today's environment is presenting the perfect opportunity for the industry as a whole to focus on creating value rather than try to manage through the sub-standard fleets." Source: Bloomberg / gCaptain

### **NAVY NEWS**

## Sinking of old navy ship finally appears imminent

#### Annapolis set to become artificial reef in Howe Sound

In her prime, the 1960s-era **HMCS Annapolis** warship sailed the open seas off the eastern and western Canadian coasts for the Royal Canadian Navy.

During the late 1980s, the helicopter-carrying destroyer was the first Canadian navy ship fitted with a towed array sonar system. She was decommissioned in 1996. Come January, after years of anticipation, a court case and plenty of controversy, the Annapolis will be sunk in Halkett Bay Marine Provincial Park, in Howe Sound, to serve her afterlife as an artificial reef. "The good news is... all the permits are now in place, Environment Canada has done its final inspection... and they passed the inspection," said Richard Wall of the Artificial Reef Society of British Columbia, which

\*\*\*\*\*\*\*\*

bought the Annapolis from the federal government in 2008.

Wall said Fisheries and Oceans Canada "is happy because we are creating habitat, not destroying habitat." The original plan had called for the Annapolis to be sunk in 2009. One of the main hold-ups has been getting the ship cleaned up enough to be sunk. The federal government "has very stringent disposal at sea regulations which we have been following, and

Environment Canada would not allow us to sink until they were satisfied, which is one of the reasons the big delays happen," Wall said. The crash of commodity prices around the time the Annapolis project started also contributed to the long delay in preparing the ship for sinking.

"Traditionally we used the scrap to basically hire professionals to do the work in six to nine months, and having to depend on volunteers means that you have an uncertain workforce and very restricted timelines – they can only work on weekends and sometimes we get 25 people out and sometimes we can only get five people out," Wall said. There was also the matter of a court case that dragged on. Wes Roots, of WR Marine Services, put a lien on the ship because he said he was owed for the Annapolis' moorage fees and operational services. The Federal Court freed the Annapolis from the lien on Nov. 4, meaning the sinking can go ahead. But there are many who would rather the ship not be sunk at all.

"I don't like to see us dropping garbage into the ocean, and I don't like to see us dropping resources into the ocean," said John Buchanan, a Squamish environmental activist who has been watching the ongoing preparations for the sinking. "It represents a massive amount of steel. And steel being the number two polluter in the world, I just think it is the federal government's way of getting rid of a problem." According to Clarke Longmuir, president of Amix Salvage & Sales Ltd. in New Westminster, it is possible to break down large ships such as the 113-metre, 2,900-ton Annapolis, but it is costly.

"Often the problem is that the value of the scrap you will yield from breaking it up won't cover the cost of doing it," he said. "To break up a big ship is going to cost, potentially, millions of dollars." But Wall said that the federal government did not shuffle the Annapolis to his not-for- profit organization. "They didn't just dump it on us, they actually paid for the remediation," he said.

And Wall said rather than becoming marine garbage, the ship will be beneficial to the ocean and sea life of the area. "There is a shortage of iron in sea water, and that is why the filter-feeders, the anemones and sponges flock to any type of metal that goes into the ocean because they need the iron to thrive."

A rusting hull provides a good source of food for them, said Wall, the navy liaison director for the Annapolis project. Wall served at sea on the Annapolis for a time. He predicts based on the seven other artificial reefs the society has created, within three years close to 100 species will colonize the reef including rockfish, barnacles, shrimp, lingcod, scallops, sea cucumbers, crabs and sea stars. Still, there are those who say the ship is a danger to the environment.

"We've been opposing this project for more than six years," said Colleen Dragan of the Save Halkett Bay Campaign. Dargan worries that the ship's paint could contain chemicals. Wall said the exact timing of the sinking will be determined by the weather. If it is too windy, it can't be sunk. After an inspection, scuba divers will be free to explore it. Source: squamishchief.

#### SHIPYARD NEWS



### ThyssenKrupp sells Emder Werft und Dockbetriebe shipyard

ThyssenKrupp and Seafort Advisors GmbH have entered into an agreement on the sale of the Emder Werft und Dockbetriebe shipyard in Emden. ThyssenKrupp began looking into alternative strategic options for the company at the end of 2013 as part of the Group's strategic way forward. The aim was to find a way of continuing the repair business outside the Group against the background of the decision to focus ThyssenKrupp's shipbuilding operations on surface vessels and submarines. In Seafort Advisors a suitable partner has now been found to position the repair operation successfully on the market on a sustainable basis. The closing of the sale is subject to the necessary licenses

and approvals and is planned for the first quarter of the 2015 calendar year. The Emden location of ThyssenKrupp Marine Systems GmbH is not affected by the disposal.

Seafort Advisors plans to continue the operations of Emder Werft und Dockbetriebe with its four pillars merchant vessels, naval, administration and offshore, add new business areas and expand the spectrum of repairs in a targeted manner. To this end it intends to strengthen sales activities and invest in the Emden location. In fiscal 2013/2014 Emder Werft und Dockbetriebe achieved sales of around €19.5 million with 55 employees. The company has been successfully realigned over recent years and has a stable customer base and workload. Seafort Advisors GmbH is a private equity firm based in Hamburg. It invests primarily in small and medium-size growth companies in German-speaking countries (Germany, Austria and Switzerland). Seafort Advisors operates with a medium- to long-term investment horizon and currently has majority shareholdings in three further companies. The private equity company has many close contacts in the ship sector, in particular with numerous shipping companies.

A full range of specialist engineering and construction services and a shipbuilding history stretching back centuries are the strengths of the Industrial Solutions business area. High-quality engineering is at the center of our success. Global project management skills, first-class system integration expertise, reliable procurement and supplier management, and a service offering meeting the highest standards form the basis for lasting customer satisfaction. Around 19,000 employees at over 70 locations form a global network with a technology portfolio that guarantees maximum productivity and cost-efficiency. For more information, please visit: <a href="http://www.thyssenkrupp.com">http://www.thyssenkrupp.com</a>



MV HANNI is getting a bandage @ www.ROGshiprepair.com - Photo Martin van Leest © ROG hereby thanks all the people and companies who helped to put ROG on the map. Happy holidays and we are ready for 2015!

### CIMC to build another jack-up for Sinopec

China's rig builder CIMC Raffles has said it won the bidding for the construction of a jack-up drilling rig for Sinopec. The 300ft rig will be managed by Sinopec Shengli Petroleum Engineering Co., Ltd after the delivery. The rigs working depth will be 91.4m, design temperature of -15°C, drilling depth of 9,144m and it will be able to accommodate 120 people. Self-designed by Shengli Drilling Technology Research Institute of Sinopec, the rig is classed by CCS.It is the second offshore cooperation project between CIMC Raffles and Sinopec after their strategic cooperation agreement in 2012. On Jun 21, 2014, their first cooperation project "New Shengli No.1" jack-up began operation in Bohai Bay. Source: offshoreenergytoday

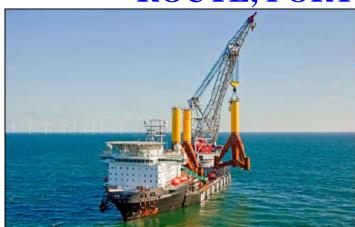
## Aker: Four tankers now underway at Phila. shipyard

Aker Philadelphia Shipyard held a ceremonial "keel laying" Tuesday for the second of four product tankers for Crowley Maritime Corp. Keel laying is a tradition, signifying good fortune and safe travels, that marks the beginning of a ship's life, even though production began months before. At the ceremony, coins were placed on a "keel block," which will be part of the engine room of the completed ship. The keel block was lowered in the building dock in South Philadelphia. Officials from Aker and Crowley were present to place the coins and sign the keel block.

Also Tuesday, shipyard workers began cutting the first steel plate for the fourth product tanker in the series with Crowley. The ships, when completed in 2015 and 2016, will be 600 feet long and can carry 50,000 tons of crude oil or refined petroleum product. "We now have all four product tankers we are building with Crowley under construction, in

various stages, throughout the shipyard," said Aker Shipyard CEO Steinar Nerbovik. "Our workforce has grown, along with our backlog of work, and I look forward to completing these vessels and many more together." Source: philly

### **ROUTE, PORTS & SERVICES**



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## Marathon evacs offshore workers after power loss

Two North Sea oil rigs were evacuated due to power outage.

According to Evening Express, a daily newspaper in Aberdeen, all non-essential personnel were evacuated from the **Brae Alpha** and **Brae Bravo** platforms located in the Brae field in the North Sea. The field is located about 155 miles north-east of Aberdeen and is operated by Marathon Oil. Evening Express quotes the company's spokesperson as saying: "Marathon Oil can confirm that it undertook a precautionary transfer of non-essential personnel onshore following a power outage in the Brae field." Furthermore, the spokesperson added that "all 245 workers are safe and every effort is being made to resolve the situation as soon as possible". Offshore Energy Today contacted Marathon Oil seeking comments regarding the cause and consequences of the incident, however we have yet to receive the company's response. **Source: Offshore Energy Today** 

## Department reviewing strategic sea services

The Department of Infrastructure is considering long-term options for the provision of the Isle of Man's strategic sea services. Expressions of interest are being invited from operators who can provide passenger and roll on/roll off freight ferry services to and from the Isle of Man. The current User Agreement between the Isle of Man Government and the Steam Packet Company is in place until 2020, with both parties having an option to extend until 2026.

The Department is looking beyond the expiry of the current agreement to ensure the Isle of Man's ferry requirements are fully served into the future. Operators have until 12 noon on Wednesday 7 January 2015 to register their initial interest. Applicants will then be invited to continue in the discussion process.

Infrastructure Minister Phil Gawne MHK said:

'Strong and dependable sea links are of significant importance to an island nation such as ours. Manx people require reliable, year-round ferry and freight services at competitive prices to meet their travel and business needs. Ferry operations also have a fundamental role to play in efforts to attract new investment and grow the economy.'

#### He added:

'The Department has a good working relationship with the Isle of Man Steam Packet, which has provided an excellent service over many years. There is no commitment to entering a new agreement with any operators at this stage. The current agreement with the Steam Packet still has at least five years to run and the Department is simply exploring options for the future as part of a long-term strategic review of the Isle of Man's sea services.'

Interested parties must have experience of passenger and roll on/roll off freight ferry services, including the operation of high speed craft. Companies will be expected to:

- Maximise local employment wherever possible
- Operate services through an Isle of Man-based company for the payment of taxes
- Meet all relevant safety and employment standards
- Be able to evidence the ability to operate reliable year-round services to Liverpool and Heysham
- Have an established record of providing passenger and roll on/roll off freight ferry services
- Have an operating model intended to generate increased passenger traffic

In addition the interested party will be expected to meet the following requirements:

- Vessels will be required to provide daily freight capacity of at least 5,000 metres
- Vessels will be required to provide daily passenger vehicle capacity of 1,500 vehicles
- Ro Pax vessels must have a minimum speed of 18 knots and fast craft of 30 knots
- Vessels will be required to provide daily passenger capacity of 6,000 persons
- Vessels must be registered on the Manx Shipping Registry

Interested parties can register their interest by emailing or writing to;

Ann Reynolds Director of Ports Sea Terminal Building Douglas IM1 2RF

Source: Isle of Man Government website

## Fendercare Marine Diving Services provide support to offshore installation in Liverpool Bay, UK

**Fendercare Marine Diving Services (FMDS)** has been contracted to provide significant diving services and equipment for an offshore installation in Liverpool Bay, UK. The Liverpool Bay Development comprises four oil and gas fields, together with significant offshore and onshore facilities used for extracting, transporting and processing these reserves.

**Fendercare Marine Diving Services** mobilised the DPII Diving Support Vessel "**SEABED WORKER**", complete with a full air diving & nitrox surface demand diving spread, two work class ROV's, a complete pipeline hydrographic survey facility and the James Fisher Hydro-Digger (mass flow excavator) for survey and remedial works to the assets located offshore in Liverpool Bay. The work scopes included the hydrographic surveys and mooring integrity surveys.

Offshore operations at Liverpool Bay are focussed on the Douglas complex - a facility that monitors and controls the development's three unmanned satellite platforms at Lennox, Hamilton and Hamilton North, with oil and gas from all four fields being received at Douglas. The Lennox and Douglas fields produce oil which is sent through a pipeline, to the offshore storage installation before being loaded into tankers for export worldwide. Hamilton, Hamilton North and Lennox produce the gas which is part-processed on Douglas before it is sent via pipeline to the Point of Ayr gas terminal on the N.Wales coast.

As part of the work conducted by Fendercare Marine Diving Services, pipelines routes were surveyed and a full condition report submitted on completion. The survey team also identified the locations of the three joining links attaching the mooring chains to the anchor wires on three mooring between the CALRAM and its anchor buried in three meters of seabed. These links were excavated by the James Fisher hydro-digger, raised by ROV and NDT inspected. Preselected areas of nine mooring chains were also cleaned and inspected between the surface and seabed by ROV's and divers, remedial works and maintenance procedures were also completed on the Pipe Line End Manifold (PLEM) and the main safety chain in preparation for change out later in the year.

All diving and marine operations were carried out in compliance with the Offshore Approved Codes of Practice (ACOP) as defined within the HSE Diving at Work Regulations 1997 and IMCA recommendations.

Established in 2010, Fendercare Marine Diving Services provide a complete range of diving services, equipment and ROVs, to install, inspect, maintain and remove underwater structure of all types and has full membership accreditation from the International Marine Contractors Association (IMCA). They have built up extensive experience of supporting shipping companies, offshore operators, onshore facilities and other businesses or authorities requiring underwater work to be carried out. This is not the first time that **Fendercare Marine Diving Services** has provided support to the Liverpool Bay Development. They have also been contracted to provide the diving facility together with associated

operational procedures and risk assessments for the change out of the 24 tons of safety mooring chain with a Salentic line. For this operation **Fendercare Marine Diving Services** were asked to operate utilising their platform based air diving spread deployed to the offshore installation.

The work scopes included procedures for the cleaning and inspection of the main securing pad eye attached to the buoy, located in the splash zone 2m below the surface. The pad eye attachment welds and first three chain links were cleaned to enable inspection divers, utilising underwater magnetic particle inspection (MPI) equipment, to inspect the pad eye attachment welds and links. On confirmation of the pad eye integrity and fitness for purpose, the chain was rigged for removal and secured at both ends prior to being cut free from under the buoy and recovered, and a replacement Salentic line was rigged and installed. Fendercare Marine Diving Services Director, Bob MacMillan commented "We are very proud of our involvement with the Liverpool Bay Development and our work demonstrates the wide range of services and equipment we can offer our customers. All of our diving teams are trained and experienced in a wide range of techniques and procedures and safety is paramount in everything we do."

For more information, please visit: <a href="http://www.fendercare.com">http://www.fendercare.com</a>

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## Idemitsu's buyout of Showa Shell casts attention on fleet trends

Shipping officials are focusing on the potential effects on transport systems of oil and such that could occur, if Japan's second largest oil wholesaler Idemitsu Kosan will actually acquire fifth largest Showa Shell Sekiyu. Whenever a realignment of the oil industry takes place, which is major shippers of Japanese operators, transport streamlining and rationalization via mergers are a constant focus for them. It is seen that the two wholesalers currently have a combined VLCC fleet of about 22 ships, but their necessary freight space could undergo a decrease. The two companies each have Idemitsu Tanker and Showa Shell Senpaku as their shipping arm, and how they will be dealt with will also be a point of interest.

Regarding reports of its acquisition of Showa Shell Sekiyu, Idemitsu Kosan stated on Dec. 20 that it is considering the broader realignment of businesses and with Showa Shell as well, it is discussing a number of possibilities, but nothing has been finalized as of now. Showa Shell also released a comment on the same day that it is weighing its options including tie-ups with other companies and within that context, it is holding talks also with Idemitsu Kosan, but nothing has been decided yet.

Idemitsu has oil refineries in Tomakomai (Hokkaido), Ichihara (Chiba) and Chita (Aichi), while Showa Shell owns refineries in Kawasaki (Kanagawa), Yokkaichi (Mie) and Sanyo-Onoda (Yamaguchi). Transport systems for crude oil have also been put in place and are operated by their respective shipping arm. In charge of crude oil transport for Idemitsu Kosan is Idemitsu Tanker, which was established in 1962 as an oceangoing transport arm by spinning off the company's shipping division. It currently has a VLCC fleet of 12 ships, four of which are managed by Idemitsu itself, with the remaining eight chartered from Japan's Big Three (Nippon Yusen Kaisha, Mitsui OSK Lines and Kawasaki Kisen Kaisha), Iino Kaiun Kaisha and NS United Kaiun. As for Showa Shell Sekiyu, it also has oceangoing/coastal ship transport arm Showa Shell Senpaku. The shipping arm does not disclose its transport system, but seems to have about 10 VLCCs in its fleet. All these units appear to be chartered from Japanese shipping firms. Changes on transport front are always an area of focus for the shipping industry when the shipper community undergoes reorganization. This is because increased fleet scales via mergers enable efficient ship deployment and this leads to a reduction in necessary freight space in many cases. Oil companies build their fleets by owning ships through shipping subsidiaries as well as time-chartering vessels from domestic shipping firms. For Japanese operators, long-term charter projects for domestic oil firms are a stable revenue source, meaning future necessary fleet sizes are always at the center of their attention. Japanese shipping officials have projected that, "Streamlining and integration are inevitable for crude oil transport. Required fleet sizes could shrink in the case that one plus one does not equal two." Additionally, Idemitsu and Showa

Shell are believed to be engaged in petroleum product trading through related companies both domestic and abroad. As such, how the operational and transport systems for petroleum products are affected will also be matter of concern for both domestic and foreign operators. In LPG business, Idemitsu is engaged in operations through Astomos Energy Corp., a joint venture with Mitsubishi Corporation. Idemitsu Tanker has deployed five VLGCs (three self-owned/managed and two chartered) to Astomos, whose current fleet consists of 21 ships (as of September 2014). Astomos also has five units on order, which includes ships to be operated by Idemitsu Tanker. Meanwhile, Showa Shell is scheduled to launch an integrated LPG wholesale company in April 2015 with Cosmo Oil, Sumitomo Corporation and TonenGeneral Sekiyu. Cosmo subsidiary Cosmo Sekiyu Gas will be the receiving company, and plans include the merging of their LPG wholesale businesses and other operations. The four companies will have a five-unit VLGC fleet. Focus will be on how the acquisition and merging of Idemitsu and Showa Shell will affect the operations of oceangoing shipping firms at large. In recent major realignment in the oil industry, JX Group was created via a business merger between Nippon Oil Corp. and Nippon Mining Holdings in 2010, while JX Shipping was formed through a merger between Nissho Shipping and Yuyo Steamship in April 2012, followed by a merger in April 2014 between JX Tanker (formerly Nippon Oil Tanker) and JX Shipping, which gave birth to the current JX Ocean.

Source : Kaiji Press - via Justus Schoemaker Dutch - Japanese Maritime Desk K.K





The "RT KRIS" operating near Songkhla, South Thailand, the weather on the coast of South Thailand is quite rough this season with lots of squalls and rain. With nearly 3 weeks waiting on weather for a move. Photo: Richard Qualm Aqualis Offshore ©

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