Friday September 20, 2019

Lloyd's List
Maritime intelligence | informa

Daily Briefing
Leading maritime commerce since 1734

LEAD STORY:
DP World considers offshore expansion with a bid for MEO

WHAT TO WATCH:
Industry must raise its game on boxship fires, salvor tells IUMI

Reefer industry braces for equipment shortage

OPINION:
Viewpoint: Stability before speed

ANALYSIS:
Ships reap huge savings from burning LNG at today's prices

Shell and Qatar Petroleum set up LNG bunkering venture

MARKETS:
Saudi oil supply disruption will benefit VLCC market

Container oligopoly's capacity management will shape rates, not demand

IN OTHER NEWS:
TMS Cardiff Gas confirms seven-year Total deal

Cosco Shipping Ports trims portfolio in Yangtze Delta

Dynagas agrees 'transformative' refinancing

Frontline opts not to buy four more suezmaxes from Trafigura

New ISO consultation on 0.5% fuels unveiled

NYK wins long-term coal freight contract with Vietnam-based power plant

Patrick Walters leaves Peel Ports role

Port of Oakland's Chris Lytle wins 'Connie' Lifetime Achievement award

DP World considers offshore expansion with a bid for MEO

DP WORLD IS POTENTIALLY eyeing a second offshore supply vessel owner-operator just two months after buying out Topaz Energy and Marine for $1.08bn — a move that would significantly extend its reach in the OSV market.

Lloyd's List understands that the Dubai-based port operator is one of six white knights initially identified as potential purchasers of the embattled Singapore-based Miclyn Express Offshore.

That list, however, has shrunk after Malaysian tycoon, Robert Kuok-backed PACC Offshore Services Holdings, which was in talks with MEO's sole bank lender, DBS, last year, backed away from the contest.

DP World may have to lock horns with as many as four other contenders if it has decided to formally enter the race to acquire MEO.

Australia's MMA Offshore is said to be the second OSV owner-operator after POSH to have considered a bid.

A third offshore player and two private equity outfits are also understood to be interested.

MEO's sole bank lender, DBS, which is driving the financial restructuring of the distressed OSV firm is understood to have sought up to $180m of new equity comprising $100m in cash injection.

That would work out to a fraction of the $1.08bn DP World reportedly paid for Topaz.

Topaz operates a 117-strong OSV fleet, larger in vessel count compared with MEO's fleet of about 80 ships.

Vesselsvalue pegged the market valuation of MEO's fleet at about $180m.

While that may suggest DBS is after a fair price, M3 Marine's managing director, Mike Meade pointed out that "whoever takes this on would have to deal with the bank and bond debt that MEO carries, which wipes out any equity left in the company".

MEO owed more than $310m in bank loans on June 30, 2018.

It also has outstanding senior secured guaranteed bonds of $150m in principal value that were originally due to mature last November.

These bonds, which remain subordinated to the bank loans, are secured against assets with carrying amount of $405.2m on MEO's books.

Putting the financials aside, MEO's dominance over Thailand's crewboat market and good coverage of the same segment in the Middle East — particularly in Saudi Arabia — could offer an appealing play to DP World.

Cash-rich DP World is likely hungry to grow eastwards after its growth into Asia via the Topaz acquisition.

DP World indicated earlier this month that it would merge Topaz with P&O Maritime to give the former a presence in new markets including Australia and South America.

Taking out MEO could open an avenue to further develop Topaz into a global OSV player, Mr Meade said.

Others noting the age profile of MEO's crewboats, however, warned that any incoming white knight may have to spend significant capital expenditure to renew the fleet.

More than half of MEO's crewboats were designed and built by Singapore-based Penguin International.

MEO is due to convene a meeting with its bondholders tomorrow to table its restructuring proposal.

Lloyd's List has sought comments from MEO, while DP World and MMA Offshore did not respond to requests for comments by publication time.

WHAT TO WATCH

Industry must raise its game on boxship fires, salvor tells IUMI

THE shipping industry must do more to tackle boxship fires, with major blazes on the vessel type occurring every 60 days, a salvage master has told a marine insurance audience.

Jeroen Mooij of Rotterdam-based Ardent Global Salvage Company was speaking at the last day of the International Union of Marine Insurance conference in Toronto on Wednesday.

"I think we can say there is room for improvement," he said, and if the cost of that makes it more expensive to operate, so be it.

Recent major fires on boxships include *Maersk Honam*, *Grande America* and *Yantian Express*, he reminded those present.

Container vessels have changed dramatically over recent decades, in a manner that increases fire risk, Mr Mooij said.

He compared the 1969-built *Encounter Bay* with the 2017-built *OOCL Hong Kong*.

The former had a beam of 30m and the latter of 59m. But because stacking heights have more than doubled, *OOCL Hong Kong* has 14 times the capacity of *Encounter Bay*, being able to carry 21,412 teu compared with only 1,578 teu.

However, its crew is significantly smaller, at 23, compared with *Encounter Bay's* 36.

Meanwhile, fires can spread from one container to another easily, given that they have no thermal insulation. Container content is often unknown, not least as a result of misdeclarations, and that sometimes makes decision making harder.

The best countermeasures include enhanced crew preparedness through better training, and improved vessel outfitting with fire-fighting equipment.

The shoreside infrastructure to deal with large casualties needs to be in place, and the authorities need to be sympathetic to the plight of burning vessels.

"Large casualties need assistance, they cannot be out at sea for a long time, and we've all seen that," said Mr Mooij.

STCW training should focus more on decision making, better awareness and better reporting, given crews' natural tendency to underestimate the seriousness of the situation.

In terms of vessel construction, there is a need for enhanced hold separation, and the fitting of sprinklers.

Reefer industry braces for equipment shortage

THE refrigerated container market is facing an equipment shortage in the final quarter of the year, with increasing demand from China for pork exports in response to the African swine fever epidemic squeezing capacity.

Speaking at the Cool Logistics Conference in Valencia, Frank Ganse, global head of seafreight reefer logistics at Kuehne + Nagel, which shifts around 350,000 teu of reefers annually, said the industry is on the cusp of a "major dilemma".

With reefer equipment supply already tight, Mr Ganse said that as ocean carriers begin to reposition containers ahead of the perishables trade's peak season, unexpected demand from China will prove the tipping point. He said there are major question marks as to from where additional boxes will come.

The reefer market grew steadily in the first half of 2019, climbing by around 5%, according to figures from Seabury Consulting. Much of this growth was concentrated in China.

Pork is China's primary source of protein, and the recent swine flu outbreak has significantly increased demand for foreign pork, prompting a 26% jump in imports in the first six months this year compared with 2018.

However, the local shortage has also driven demand for alternatives including poultry and beef, which is already in high demand because of relaxed import regulations and changing dietary habits of China's middle classes, said Seabury Consulting's Ronald Veldman. This trend will continue in the short to medium term, he added.

Mr Ganse stressed that reefer production in the second half of 2019 will unlikely meet requirements. Current expectations he said are well below the levels anticipated earlier this year. Indeed, he said that the number of new boxes likely to enter the market will be similar to that of last year.

But swine flu is only one of several factors that threaten to push demand for reefer boxes to unsustainable levels. Although the number of conventional reefer ships sent for scrap in the first half of 2019 was low, with around 25 units removed from the market, this number is expected to accelerate in the final quarter of 2019.

Mr Ganse explained how the International Maritime Organization's sulphur cap will spell the end for a significant number of older units, with at least some of the capacity removed from the market expected to be picked up by reefers. "We will need to see how much conversion takes place and how much cargo is pushed into reefers," he said.

Furthermore, he highlighted how the implementation of the trade agreement between the EU and Mercosur states — Argentina, Brazil, Paraguay and Uruguay, promises to drive more reefer trade on the north-south market. Again, this would increase demand for equipment that just is not there.

"All this indicates that we are running into a reefer shortage in the fourth quarter of the year," said Mr Ganse, adding that there are already reports of shortages in northern Europe.

However, he also noted that swine flu and the outbreak of the tropical race 4 fungus devastating banana crops in South America is making repositioning containers an increasing challenge. "We cannot forecast demand. It is impossible," added Mr Ganse.

"Even so, if everything stays as it is a reefer shortage will occur in November/December this year and then into the peak season. I am sure of this," he said.

OPINION

Viewpoint: Stability before speed

WHAT is it about big vehicle carriers which make it so difficult for them to remain upright? *asks Michael Grey*.

The sight of car carrier *Golden Ray* lying on its side near a major US port with several thousand new cars wrecked in its multiple decks is yet another reminder that these big ships need care and special attention to keep them stable. This incident adds to the growing list of specialised vessels that have come to grief.

There are some vessels for which stability is never something that needs much concern. People who used to sail on single-skinned tankers would look at you in amazement if somebody inquired about their metacentric height.

In stark contrast, car carriers, with so much of their multi-decked structure high above the waterline, clearly need careful handling, and not just at sea, delicately balancing the paying load with the contents of their fuel and ballast tanks. And of course, it is complicated by multi-port rotations, which can often change at the last minute, and the need to avoid double handling in the complicated jigsaw puzzle of a dozen decks of vehicles.

There will be a thorough investigation of the incident at the port of Brunswick in the state of Georgia, with its results published both by the US Coast Guard and the National Transportation Safety Board. While it would be foolish to anticipate their findings, there have, nevertheless, been several common factors in previous accidents that perhaps need to be emphasised more strongly.

Firstly, in the quest for speed in port, rushing ships on and off the berth with indecent haste, the stability of the ship has been menaced by the ship's staff often being left in ignorance of the weights and stowage of the cargo until the last minute.

Cargo planning is usually done onshore, often by people who know a lot about cargo handling but may have little or no comprehension of static and dynamic stability.

"The ship is not asked anything — about whether such and such a cargo is a possibility — it is told," a master of my acquaintance noted with some regret, recalling when both ship and shore worked more co-operatively.

Moreover, it tends to be told when it is too late to "test" the proposed cargo plan on the ship's computer, rather than before the ship has arrived, which may be thought of as more prudent.

It is not just car carrier officers who find themselves being treated like truck drivers upon arrival in port. You hear the same sort of complaints on the container berth, where the quest for speed is as frenetic; there is another ship waiting for the berth and the job of those on board is to co-operate or else. But there is probably no other ship type in which the stability is so critical, as past events with car carriers have demonstrated.

Shift of responsibility

Put bluntly, it is a matter of priorities and a de facto shift of responsibility from ship to shore that combines to make an unsatisfactory situation worse.

It remains the legal responsibility of the master to keep a ship safe, but the tools which the master requires to undertake this job are in the hands of shoreside terminal staff.

It is seen by the terminal that its priority is to load or discharge the ship as quickly as possible and move it off the berth. It has the plan, the sequence, the cargo or the parking space for it and the condition of the ship in these operations is not regarded as the terminal's responsibility.

If the priorities could be altered from speed to take more account of the ship's safety and stability, it would be a step in the right direction. It is not helping when every effort in every port in the world is to improve efficiency, to move ships faster through their systems and to keep the logistic chain tight as a drum.

There are other contributory factors which are worth exploring as well.

We have a growing environmental movement (one is tempted to call it a religion) that is screaming for ships to travel more slowly at sea, to save the planet, as France's President Macron eloquently puts it. So, there will be even more pressure upon the ports and terminals to ensure that every ship's stay is as brief as possible, with maximum productivity. There are ports that give the pilots black marks for taking too long to move a ship alongside.

Another problem becoming apparent is that the space available for bunkers and water ballast, which once was a relatively simple contributor to keeping the ship upright, is being complicated by the need to segregate fuel types and grades as the IMO 2020 deadline approaches. Of course, you ought to be able to work around this, but it clearly takes more effort with the loading computer. Do they know about any of this in the terminal onshore?

Maybe the harbourmaster's department of any port that does not wish its approach channels to be blocked by capsized car carriers ought to insist on being shown the completed stability calculation before the vessel is permitted to leave the berth. "But that will take time", will be the angry and predictable response. So what?

Finally, this subject should not be left without a tribute to the rescue and response teams of the US Coast Guard, who evacuated the crew of *Golden Ray* in difficult circumstances and then extracted the four missing engineers, found alive in the upturned hull. They did a wonderful job.

rjmgrey@dircon.co.uk

ANALYSIS

Ships reap huge savings from burning LNG at today's prices

SHIPOWNERS could benefit from significant cost savings currently if they had gone ahead to bunker their vessels with liquefied natural gas instead of conventional marine fuels, according to one LNG bunkering player.

Citing Fearnleys statistics from Monday — the first trading day after the attacks on Saudi Arabia's crude processing facilities — FueLNG's general manager, Saunak Rai said that the comparable cost of LNG as a marine fuel stood at $224 per tonne and $267 per tonne, based on fuel oil equivalent factors of 0.55 to 0.46 respectively.

The FOE factors account for the lower energy density in LNG vis-à-vis conventional marine fuel oil.

Mr Rai further suggested when probed for cost comparisons during a panel session at the Global Liner Asia Shipping conference that even after building in any further logistics costs, bunkering a vessel with LNG will still yield significant savings over refuelling with 3.5% sulphur fuel oil, particularly after taking in high-sulphur fuel oil's price hikes earlier this week.

Argus' assessment on Monday reflected a 12%, or $56.30, jump in transacted HSFO prices to $520 per tonne.

Beyond the run-up to the imminent green shipping regulation, known as IMO 2020, this latest price surge has been attributed to fears of marine fuel oil supply shortfall spilling over from the forced outage at Saudi Arabia's two key crude processing facilities.

Mr Rai argued that the use of LNG as a marine fuel would have on the other hand, buffered shipowners against price shocks from such geopolitical events.

Others, however, have flagged a tendency among shipowners to delay the switch from HSFO to IMO 2020-compliant fuels for as long as possible.

The International Maritime Organization's decision in October 2016 to implement a 0.5% sulphur cap on marine fuels from next year has forced a review of the traditionally HSFO-anchored marine fuel mix.

LNG is one cleaner burning alternative touted as allowing international shipping to comply with the IMO 2020 regulation, which traders view as contributing to a steep backwardation in HSFO prices leading to bunker supply tightness in Asia Pacific.

Critics have however, challenged LNG's long-term relevance as a marine fuel given that the use of this fuel that is produced from fossil fuels does not meet the IMO's goal of halving of international shipping's carbon dioxide emissions by 2050 from 2008 levels.

LNG proponents however, have touted the carbon-neutral promise of synthetic LNG production from green sources as supporting the fuel's continuing role in the bunkering mix way beyond 2020.

Mr Rai also pointed out that hydrogen — one other future marine fuel candidate under consideration — has a far larger environmental footprint compared with LNG.

"Of the entire energy footprint for hydrogen, 30% is used to produce it, compared with only 5% for LNG," he said.

He also cautioned against the market getting its hopes up too high on a third gas-based fuel alternative being mooted for international shipping.

"Global production of ammonia is only 20% of the world's marine fuel demand," he said.

By the estimates he provided, the payback period is approximately five to six years for a newbuild LNG-fuelled 15,000 teu containership and six to eight years for a converted unit of the same capacity.

FueLNG, as one of two licensed LNG bunker players in Singapore, is a joint venture between Shell and Keppel Offshore & Marine.

Shell and Qatar Petroleum set up LNG bunkering venture

SHELL and Qatar Petroleum will launch a joint venture to offer bunkering of liquefied natural gas, adding to the growing reach of LNG as a fuel.

The two companies revealed on Wednesday they will co-own the new venture, whose creation is subject to regulatory approval.

"The new company's principal business activities will include the procurement of LNG, setting up LNG bunkering infrastructure (storage and bunker vessels) at various strategic locations and facilitating the sale of LNG as a marine fuel to end customers around the world," Qatar Petroleum said in a statement.

Energy providers have raised the standing of LNG as an alternative fuel in shipping's search for emissions reductions. DNV GL recently projected that by 2050 LNG will be the single most important energy source for shipping.

LNG, however, remains a fossil fuel and cannot, on its own, achieve the minimum 50% reduction in greenhouse gas emissions by 2050 that international shipping has committed to achieving.

MARKETS

Saudi oil supply disruption will benefit VLCC market

THE mini-spike in the very large crude carrier market in the wake of the Saudi attacks has already fizzled out, with earnings back down to $30,419 per day on the benchmark Middle East to Japan route by close of trading on Wednesday, down from $33,856 per day on Monday.

The rise in spot earnings and rates came early this week as charterers rushed to fix vessels for October loadings from the US and Middle East amid fears of prolonged disruption in the oil market.

"Monday's surge in rates was mostly sentiment driven," said a Singapore-based broker adding that the charterers instantly took a breather before securing ships for cargoes following Saudi Arabia's announcement on Wednesday that oil production will be back to normal by the end of September

"Rates could certainly turn upwards again in the short term, as owners are pushing for higher freight rates."

Meanwhile, owners' biggest bargaining chip is that excess vessel supply in the Middle East Gulf has been trimmed significantly.

Although, full production from Saudi facilities will be restored promptly, there will likely be a risk-premium in the oil markets going forward which will elevate bunker costs.

Artic Securities analysts noted that the combination of continued flows but increased risk premium in supply is a favourable blend for owners which would benefit VLCC market in the short term.

This should also inspire consuming nations to continue to diversify sources of oil, to the benefit of tonne-miles, said Evercore ISI analyst Jonathan Chappell.

Banchero Costa's head of research Ralph Leszczynski said that "with congestion building up in Saudi ports for a few days and buyers trying to secure spot cargoes from elsewhere such as from the US Gulf, freight rates in the VLCC is expected to elevate".

VLCC loadings

The rate of Saudi crude exports dropped sharply following the attack on the country's Abqaiq crude processing facility and Khurais oil field on September 14.

Crude loadings from the country continue however, with several VLCCs either currently at, or waiting outside the country's main export terminals and poised to pick up volumes.

Five VLCCs are located at Ras Tanura port, while another aframax tanker and VLCC are waiting in an anchorage zone offshore Ras Tanura, Lloyd's list Intelligence data shows.

Further, eight VLCCs are near Juaymah terminal while another six VLCCs are sitting further offshore in the anchorage zone off Juaymah as of Wednesday. On the Red Sea, Bahri-owned VLCC *Ghawar* is at berth in Yanbu.

According to analysts, Saudi Arabia will likely run its downstream sector slightly lower and reduce direct crude burning to free up some crude volumes for exports. Saudi Aramco has crude stockpiles — both domestic and overseas — which can also be released to temporarily mitigate its production loss. This includes storage at Ras Tanura and Yanbu, as well as globally in Sidi Kerir in Egypt, Okinawa in Japan and Rotterdam.

Some Asian refiners might also reduce crude runs on the back of lower crude availability and deteriorating margins, amid high prices.

Container oligopoly's capacity management will shape rates, not demand

OLIGOPOLIES with a good grasp on capacity are well placed to mitigate the negative influence a weakening macroeconomy may wield over container shipping demand, SeaIntelligence Consulting's chief executive Lars Jensen said at an industry conference on Wednesday.

Speaking at the Global Liner Shipping Asia conference, Mr Jensen pointed to the emergence of an oligopoly in the container shipping space with the top 10 carriers now holding a combined market share of in excess of 80%, according to SeaIntelligence's calculations.

He further noted that the spread of container shipping rates, as a sign of volatility in the segment, has noticeably narrowed in recent years especially after the number of mega shipping alliances reduced from four to three.

The three remaining alliances — 2M, THE and Ocean — also appeared to have learned that "they can control capacity even if they cannot control demand".

Mr Jensen suggested the three alliances have come to develop discipline in managing blank sailings in response to changing demand.

He cited a tendency to blank out certain sailings that cover the same port pairs as other services as backing his observation.

This more structured approach would also allow carriers to act more quickly in pulling out capacity when the need arises.

Such recently acquired agility will counter any demand contraction resulting from economic slowdown particularly in light of the still unresolved US-China trade spat.

Singapore as a leading maritime city ranking only behind Shanghai in container throughput last year, is one casualty of the lingering trade spat.

In August, the island nation, which is often seen as a bellwether for global growth, downgraded its economic growth forecast to a between zero and 1% from a previous projection of 1.5% to 2.5%.

Mr Jensen argued however, against overstating the downside influence of the US-China trade spat.

He flagged a shift of production from China to Vietnam after the trade spat erupted as one supporting piece of evidence that Transpacific volume may not be as adversely affected as some would expect.

"Consumers are still buying; businesses are the ones truly concerned," he said.

IN OTHER NEWS

TMS Cardiff Gas confirms seven-year Total deal

LIQUEFIED natural gas carrier owner TMS Cardiff Gas has confirmed a second vessel charter to energy major Total, while hinting at plans to expand its fleet further.

The company said that it had entered a minimum seven-year time charter deal with Total Gas & Power.

The charter appears to relate to the sole unit previously uncovered by employment out of 11 currently on order for TMS Cardiff in South Korean yards Hyundai Heavy Industries and Samsung Heavy Industries.

That vessel is due for delivery by Samsung in 2020, while others are on charter to Cheniere, Shell and Vitol.

Total was the first charterer to take one of the company's newbuildings on long-term charter, at the end of 2017 signing up one of the X Carrier series for seven years.

"This is another long-term deal in this series of sister vessels with efficient X-DF propulsion and sets the stage for the company's further growth with significant long term coverage and backlog", said company founder Christos Economou.

Cosco Shipping Ports trims portfolio in Yangtze Delta

COSCO Shipping Ports continues to prune its portfolio of ports, divesting its stake in several smaller domestic container terminals for a $75.9m gain.

CSP said in an exchange announcement that it was selling all its shares in Nanjing Longtan Terminal, Yangzhou Yuanyang Terminal and Zhangjiagang Terminal for Yuan1.06bn.

The divestments are following CSP's strategic plan to divest assets and recycle capital for future developments with better growth potential.

"The company aims to improve asset quality, optimise domestic terminal portfolio and improve operating efficiency of the company," CSP said, adding that selling out of port assets with relatively small throughput and profit contributions would further streamline its terminal portfolio and enhance profitability.

The transactions will boost CSP's portfolio of terminals in the Yangtze River Delta region, it added.

Further streamlining its portfolio in the area, CSP also plans to dispose of all its interests in container terminal operator Taicang Terminal and bulk liquid storage terminal Jiangsu Petrochemical Terminal, and is working towards a sale, although no agreement has been reached yet.

Dynagas agrees 'transformative' refinancing

DYNAGAS LNG Partners, the US-listed owner of six liquefied natural gas carriers, has clinched a new $675m syndicated loan to refinance existing debt, including a bond payment that is maturing imminently.

Covering the 6.25% $250m senior notes that fall due on October 30 has been a main focus of the company in recent months.

The new facility will also be used to repay the $470m outstanding on its senior secured term loan B.

Dynagas did not immediately identify lending banks in the consortium but said that the refinancing was "transformational" for the partnership.

"The credit facility provides the partnership with reduced cost of debt relative to the existing one and a simplified debt structure with a clear and viable path towards deleveraging through a significant increase in debt amortisation," he said.

Frontline opts not to buy four more suezmaxes from Trafigura

TANKER giant Frontline has decided to pass on an option to buy four suezmaxes from Trafigura on top of the 10 that it bought last month, as it focuses on the very large crude carrier segment.

The John Fredriksen-controlled firm agreed in late August to buy 10 suezmaxes from Trafigura, spending between $538m and $547m on the ships. The commodity behemoth also received an 8.5% stake in Frontline as part of the purchase.

The deal also included options for two plus two more Chinese-built suezmaxes. After postponing the expiration date for the options from September 12 to September 18, Frontline decided not to exercise them.

"We are pleased to see that the tanker market is tightening and earnings increasing in all our segments. Our market view remains positive and supports further fleet growth, but our focus will be on VLCCs, where we will seek to add exposure," Frontline chief executive Robert Hvide Macleod said.

The statement comes as a little surprise, given that the chief executive made similar remarks on the VLCC market a few weeks ago.

New ISO consultation on 0.5% fuels unveiled

THE International Organisation for Standardisation has released a new consultation on quality issues of 0.5% fuels ahead of the 2020 global sulphur cap.

The ISO published the new Publicly Available Specification on 0.5% sulphur fuels to complement the existing specifications on bunker fuels.

The PAS focuses on technical considerations of kinematic viscosity, cold flow properties, stability, ignition characteristics and catalyst fines of the new fuels.

Shipowners in the past have expressed concerns about the lack of new standards for the nascent fuels. However, the ISO reiterated that the same specification that applies for existing bunker fuels, the ISO 8217 standard, still applies to the 0.5% fuels.

The International Bunkering Industry Association, which has published its own guidance on the implementation of the sulphur cap, also emphasised that existing specifications still apply.

NYK wins long-term coal freight contract with Vietnam-based power plant

NYK has picked up a 25-year freight contract from compatriot conglomerate Sumitomo Corporation's Vietnam-based Van Phong Power Company to transport coal for the greenfield Van Phong coal-fired power project in Vietnam's Khánh Hòa province.

Shipments will begin from 2023, and the volume is expected to be up to 3.4m tonnes annually. The coal will be transported mainly from Australia and Indonesia for a new coal-fired power plant. No value was disclosed, and the vessel mix to fulfil the contract of affreightment was not revealed.

Scrambling to maintain profitability, NYK's new medium-term management plan announced in 2019 seeks to control the group's exposure to market conditions by maintaining and expanding long-term contracts in the dry bulk division.

NYK said it would continue its effort to contribute to reliable energy supplies through safe transportation and the expansion of business that generates stable revenue and is resistant to volatile market conditions.

Patrick Walters leaves Peel Ports role

PEEL Ports' chief operating officer Patrick Walters has left the port operator after five years in his role.

The decision was taken a couple of months ago, Mr Walters told Lloyd's List, but had only been announced internally until now.

Formerly with P&O Ports, DP World and Associated British Ports, Mr Walters joined Peel Ports, which operates Liverpool and several other ports around the UK and Ireland, as it was developing its ambitious Liverpool2 project in 2014.

As chief commercial officer he was responsible for commercial negotiations, sales, property and business intelligence for the whole group.

Port of Oakland's Chris Lytle wins 'Connie' Lifetime Achievement award

THE Containerization and Intermodal Institute has presented a Lifetime Achievement award to Chris Lytle, following his 53-year career in the maritime industry, including service as director of the Port of Oakland and also the Port of Long Beach.

"I have had a long and satisfying career and this recognition makes it easier to step away," said Mr Lytle at the Institute's annual Connie Awards banquet this week. "I'm leaving the industry with great memories and pride in what I've accomplished alongside hundreds of wonderful colleagues."

Connie Awards are presented annually to maritime industry leaders who have had substantial impact on container shipping. Lifetime Achievement awards recognise prolonged contributions to trade and transportation.

For classified notices please view the next 3 pages

INVITATION TO TENDER

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
ADMIRALTY JURISDICTION

RE: HCAJ 16 of 2019

The ship or vessel **"BRIGHTOIL LEAGUE"** (the "Vessel")

Pursuant to the order for sale of the Vessel made by the High Court of the Hong Kong Special Administrative Region on the 26 July 2019 tenders are invited for the purchase of the Vessel (a general description of which is set out below) upon the following terms.

1. The Vessel is offered for sale as she lies in the waters of Hong Kong in her "as is" "where is" condition at the date of delivery without any warranties or guarantees. The Vessel is sold free from incumbrances, with everything on board belonging to her but excluding any equipment on hire.

2. No error or misdescription in this invitation or otherwise by representatives of the Government or the High Court of the Hong Kong Special Administrative Region shall entitle the successful tenderer ("the Buyer") to annul the sale.

3. Tenderers are advised to make all and any such enquiries as they think fit. Permission to inspect the Vessel may be obtained from the Chief Bailiff.

4. Tenders for the purchase of the Vessel must:
   (a) be in writing addressed to the Registrar of the High Court, Hong Kong Special Administrative Region;
   (b) be in a sealed envelope so addressed and marked **"HCAJ 16 of 2019 – CONFIDENTIAL"**;
   (c) be accompanied by way of deposit by a cashier's order or bank draft drawn by a Hong Kong bank or a bank having a branch office or banking correspondents in Hong Kong or certified cheque drawn on such a bank of 10% of the offer payable to **"Registrar, High Court"** and crossed in **"HCAJ 16 of 2019"** (the "Deposit");
   (d) be expressed to be irrevocable until 15 October 2019;
   (e) reach the Registrar c/o Chief Bailiff (Administration & Admiralty) at Bailiff Office, LG 3/F, High Court Building, 38 Queensway, Hong Kong not later than 2:00 p.m. (Hong Kong time) on 8 October 2019, otherwise such tenders will be treated as invalid;
   (f) follow the arrangement in respect of tender closing time in the times of gale or rainstorm warnings in Hong Kong as set out below:
   (i) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above is lowered or cancelled before or at 11:00 a.m. (Hong Kong time) on 8 October 2019, the tender closing time will remain unchanged;
   (ii) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above is lowered or cancelled after 11:00 a.m. (Hong Kong time) on 8 October 2019, the tender closing time will be deferred to 02:00 p.m. (Hong Kong time) on the next weekday (i.e. except Saturday and Sunday) other than public holidays; and
   (g) be expressed in Hong Kong Dollars or United States Dollars with payment of the Deposit being made in the same currency as the tender.

5. The Registrar is not bound to accept the highest or any tender.

6. If a tender is accepted the balance (plus the sum payable for bunker fuel) of the purchase price also in the form of a cashier's order, bank draft or certified cheque payable as aforesaid must be paid within 7 days of the acceptance of the tender and if not so paid the deposit of 10% will be forfeited in which event the Registrar will be at liberty to sell the Vessel to any other party or parties.

7. The Buyer shall within 7 days of the acceptance of the tender pay by the aforesaid methods the Hong Kong market price for the bunker fuel remaining on board on the date of delivery, such quantity and price to be determined by the Chief Bailiff or his agent.

8. Upon payment of the balance of the purchase price, a bill of sale will be duly executed on behalf of the High Court of the Hong Kong Special Administrative Region in favour of the Buyer.

9. The Registrar may in his discretion agree that the Vessel be sold to a nominee of the Buyer. Such nominee and the Buyer shall sign an addendum to this Invitation to Tender in such form as the Registrar may require. Any nomination shall be made no later than 3 working days prior to the delivery of the Vessel. Any nomination made by the Buyer shall be irrevocable. No further nomination is permitted.

10. Deposits will be refunded to unsuccessful tenderers.

11. Any tenderer who does not receive notice by 15 October 2019 that his tender has been accepted may assume that such tender has been rejected.

12. Should the Vessel become a total loss (or be accepted by underwriters as a constructive total loss) before delivery of the Vessel to the Buyer the sale shall be null and void and the Deposit will be refunded to the Buyer.

13. The Buyer shall be liable for any fees duties taxes or dues of whatever nature which may become payable upon the purchase and transfer of the Vessel.

14. On completion of the sale the Buyer will assume all responsibility for complying with all Hong Kong Marine Department directions regarding the Vessel.

15. This invitation and the sale of the Vessel is made and effected without any liability of whatsoever nature of the High Court of the Hong Kong Special Administrative Region or its officers, employees or agents.

(S. KWANG)
Registrar,
High Court
12 September 2019

PARTICULARS OF VESSEL

Vessel's name:	BRIGHTOIL LEAGUE
IMO No. :	9402471
Port of Registry:	Hong Kong
Type of Vessel:	Double Hull Oil Tanker
Builder:	Hanjin Heavy Industries and Construction Co. Ltd., Busan, South Korea
Date of Delivery:	31 / 03 / 2009
Classification Society:	Lloyd's Register of Shipping
Length:	LOA 250.00 m / LBP 239.00 m
Breadth (moulded):	44.00 m
Depth (moulded):	21.35 m
GRT:	63,294 mt
NRT:	34,735 mt
Lightweight:	19,273.20 mt
Summer Deadweight:	115,604.50 mt
Summer Draught:	14.986 m
Main Engine:	Hyundai – MAN B&W 6S60 MC-C 13,560 kw @ 105 RPM
Auxiliary Engines:	3 x Daihatsu 6 DK - 20
C.O.T. Capacity (included slop tanks):	130,617.60 m^3 (100% Full)

INVITATION TO TENDER
IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
ADMIRALTY JURISDICTION

RE: HCAJ 15 of 2019

The ship or vessel **"BRIGHTOIL LEGEND"** (the "Vessel")

Pursuant to the order for sale of the Vessel made by the High Court of the Hong Kong Special Administrative Region on the 26 July 2019 tenders are invited for the purchase of the Vessel (a general description of which is set out below) upon the following terms.

1. The Vessel is offered for sale as she lies in the waters of Hong Kong in her "as is" "where is" condition at the date of delivery without any warranties or guarantees. The Vessel is sold free from incumbrances, with everything on board belonging to her but excluding any equipment on hire.

2. No error or misdescription in this invitation or otherwise by representatives of the Government or the High Court of the Hong Kong Special Administrative Region shall entitle the successful tenderer ("the Buyer") to annul the sale.

3. Tenderers are advised to make all and any such enquiries as they think fit. Permission to inspect the Vessel may be obtained from the Chief Bailiff.

4. Tenders for the purchase of the Vessel must:
   (a) be in writing addressed to the Registrar of the High Court, Hong Kong Special Administrative Region;
   (b) be in a sealed envelope so addressed and marked **"HCAJ 15 of 2019 – CONFIDENTIAL"**;
   (c) be accompanied by way of deposit by a cashier's order or bank draft drawn by a Hong Kong bank or a bank having a branch office or banking correspondents in Hong Kong or certified cheque drawn on such a bank of 10% of the offer payable to **"Registrar, High Court"** and crossed in **"HCAJ 15 of 2019"** (the "Deposit");
   (d) be expressed to be irrevocable until 15 October 2019;
   (e) reach the Registrar c/o Chief Bailiff (Administration & Admiralty) at Bailiff Office, LG 3/F, High Court Building, 38 Queensway, Hong Kong not later than 2:00 p.m. (Hong Kong time) on 8 October 2019, otherwise such tenders will be treated as invalid;
   (f) follow the arrangement in respect of tender closing time in the times of gale or rainstorm warnings in Hong Kong as set out below:
   (i) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above is lowered or cancelled before or at 11:00 a.m. (Hong Kong time) on 8 October 2019, the tender closing time will remain unchanged;
   (ii) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above is lowered or cancelled after 11:00 a.m. (Hong Kong time) on 8 October 2019, the tender closing time will be deferred to 02:00 p.m. (Hong Kong time) on the next weekday (i.e. except Saturday and Sunday) other than public holidays; and
   (g) be expressed in Hong Kong Dollars or United States Dollars with payment of the Deposit being made in the same currency as the tender.

5. The Registrar is not bound to accept the highest or any tender.

6. If a tender is accepted the balance (plus the sum payable for bunker fuel) of the purchase price also in the form of a cashier's order, bank draft or certified cheque payable as aforesaid must be paid within 7 days of the acceptance of the tender and if not so paid the deposit of 10% will be forfeited in which event the Registrar will be at liberty to sell the Vessel to any other party or parties.

7. The Buyer shall within 7 days of the acceptance of the tender pay by the aforesaid methods the Hong Kong market price for the bunker fuel remaining on board on the date of delivery, such quantity and price to be determined by the Chief Bailiff or his agent.

8. Upon payment of the balance of the purchase price, a bill of sale will be duly executed on behalf of the High Court of the Hong Kong Special Administrative Region in favour of the Buyer.

9. The Registrar may in his discretion agree that the Vessel be sold to a nominee of the Buyer. Such nominee and the Buyer shall sign an addendum to this Invitation to Tender in such form as the Registrar may require. Any nomination shall be made no later than 3 working days prior to the delivery of the Vessel. Any nomination made by the Buyer shall be irrevocable. No further nomination is permitted.

10. Deposits will be refunded to unsuccessful tenderers.

11. Any tenderer who does not receive notice by 15 October 2019 that his tender has been accepted may assume that such tender has been rejected.

12. Should the Vessel become a total loss (or be accepted by underwriters as a constructive total loss) before delivery of the Vessel to the Buyer the sale shall be null and void and the Deposit will be refunded to the Buyer.

13. The Buyer shall be liable for any fees duties taxes or dues of whatever nature which may become payable upon the purchase and transfer of the Vessel.

14. On completion of the sale the Buyer will assume all responsibility for complying with all Hong Kong Marine Department directions regarding the Vessel.

15. This invitation and the sale of the Vessel is made and effected without any liability of whatsoever nature of the High Court of the Hong Kong Special Administrative Region or its officers, employees or agents.

(S. KWANG)
Registrar,
High Court
12 September 2019

PARTICULARS OF VESSEL

Ship's Name:	M.T. "BRIGHTOIL LEGEND"
Port of Registry:	Hong Kong
Flag:	Hong Kong
Call Sign:	VRGF6
Official Number:	HK-2611
IMO Number:	9398266
Type of Vessel:	Double Hull Oil Tanker
Length Overall:	243.80 m
Length Between Perpendiculars:	237.00 m
Breadth (Extreme):	42.032 m
Depth (Moulded):	21.30 m
Height (Maximum):	48.998 m
Year of Build:	2009
Built:	Tsuneishi Shipbuilding Co., Ltd., Tadotsu, Japan
Classification:	Lloyd's Register
Class Notations:	+100A1 Double Hull Oil Tanker, CSR, ESP, ShipRight (CM), *IWS, LI +LMC, IGS, UMS
Descriptive Note:	COW (LR), ETA, Part Higher Tensile Steel, PL (LR), SBT (LR), ShipRight (SERS, MPMS)
Gross Tonnage:	60,379
Net Tonnage:	32,114
Lightship:	18,006 MT
Summer Deadweight:	107,518 MT
Summer Displacement:	125,523 MT
Total Fuel Oil capacity:	3,876.700 m^3
Total Diesel Oil Capacity:	301.900 m^3
Main Engine:	Mitsui-Man B&W 6S60MC-C (Total Engine Power: 13,560 kW)
Auxiliary Engines:	3 sets of Yanmar 6EY18AL (640 kW x 900 rpm)
Propeller:	FPP Keyless, Blades = 5
Cargo Tanks / Total Capacity:	12 tanks + 2 slop tanks / 124,967 m^3
Cargo Pumps:	3 sets x 3,000 m^3 / hr (Total 9,000 m^3 / hr)
Cargo Hose Handling Crane:	1 set x 15 T

INVITATION TO TENDER

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
ADMIRALTY JURISDICTION

RE: HCAJ 14 of 2019

The ship or vessel **"BRIGHTOIL LUCKY"** (the "Vessel")

Pursuant to the order for sale of the Vessel made by the High Court of the Hong Kong Special Administrative Region on the 26 July 2019 tenders are invited for the purchase of the Vessel (a general description of which is set out below) upon the following terms.

1. The Vessel is offered for sale as she lies in the waters of Hong Kong in her "as is" "where is" condition at the date of delivery without any warranties or guarantees. The Vessel is sold free from incumbrances, with everything on board belonging to her but excluding any equipment on hire.

2. No error or misdescription in this invitation or otherwise by representatives of the Government or the High Court of the Hong Kong Special Administrative Region shall entitle the successful tenderer ("the Buyer") to annul the sale.

3. Tenderers are advised to make all and any such enquiries as they think fit. Permission to inspect the Vessel may be obtained from the Chief Bailiff.

4. Tenders for the purchase of the Vessel must:
   (a) be in writing addressed to the Registrar of the High Court, Hong Kong Special Administrative Region;
   (b) be in a sealed envelope so addressed and marked **"HCAJ 14 of 2019 – CONFIDENTIAL"**;
   (c) be accompanied by way of deposit by a cashier's order or bank draft drawn by a Hong Kong bank or a bank having a branch office or banking correspondents in Hong Kong or certified cheque drawn on such a bank of 10% of the offer payable to **"Registrar, High Court"** and crossed in **"HCAJ 14 of 2019"** (the "Deposit");
   (d) be expressed to be irrevocable until 15 October 2019;
   (e) reach the Registrar c/o Chief Bailiff (Administration & Admiralty) at Bailiff Office, LG 3/F, High Court Building, 38 Queensway, Hong Kong not later than 2:00 p.m. (Hong Kong time) on 8 October 2019, otherwise such tenders will be treated as invalid;
   (f) follow the arrangement in respect of tender closing time in the times of gale or rainstorm warnings in Hong Kong as set out below:
   (i) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above is lowered or cancelled before or at 11:00 a.m. (Hong Kong time) on 8 October 2019, the tender closing time will remain unchanged;
   (ii) in case a Black Rainstorm Warning Signal or a Tropical Cyclone Signal No.8 or above is lowered or cancelled after 11:00 a.m. (Hong Kong time) on 8 October 2019, the tender closing time will be deferred to 02:00 p.m. (Hong Kong time) on the next weekday (i.e. except Saturday and Sunday) other than public holidays; and
   (g) be expressed in Hong Kong Dollars or United States Dollars with payment of the Deposit being made in the same currency as the tender.

5. The Registrar is not bound to accept the highest or any tender.

6. If a tender is accepted the balance (plus the sum payable for bunker fuel) of the purchase price also in the form of a cashier's order, bank draft or certified cheque payable as aforesaid must be paid within 7 days of the acceptance of the tender and if not so paid the deposit of 10% will be forfeited in which event the Registrar will be at liberty to sell the Vessel to any other party or parties.

7. The Buyer shall within 7 days of the acceptance of the tender pay by the aforesaid methods the Hong Kong market price for the bunker fuel remaining on board on the date of delivery, such quantity and price to be determined by the Chief Bailiff or his agent.

8. Upon payment of the balance of the purchase price, a bill of sale will be duly executed on behalf of the High Court of the Hong Kong Special Administrative Region in favour of the Buyer.

9. The Registrar may in his discretion agree that the Vessel be sold to a nominee of the Buyer. Such nominee and the Buyer shall sign an addendum to this Invitation to Tender in such form as the Registrar may require. Any nomination shall be made no later than 3 working days prior to the delivery of the Vessel. Any nomination made by the Buyer shall be irrevocable. No further nomination is permitted.

10. Deposits will be refunded to unsuccessful tenderers.

11. Any tenderer who does not receive notice by 15 October 2019 that his tender has been accepted may assume that such tender has been rejected.

12. Should the Vessel become a total loss (or be accepted by underwriters as a constructive total loss) before delivery of the Vessel to the Buyer the sale shall be null and void and the Deposit will be refunded to the Buyer.

13. The Buyer shall be liable for any fees duties taxes or dues of whatever nature which may become payable upon the purchase and transfer of the Vessel.

14. On completion of the sale the Buyer will assume all responsibility for complying with all Hong Kong Marine Department directions regarding the Vessel.

15. This invitation and the sale of the Vessel is made and effected without any liability of whatsoever nature of the High Court of the Hong Kong Special Administrative Region or its officers, employees or agents.

(S. KWANG)
Registrar
High Court
12 September 2019

PARTICULARS OF VESSEL

Call Sign :	VRPH3
IMO No. :	9402469
Official No. :	HK-2899
Lloyd's Class No. :	9402469
Class :	+100A1 Double Hull Oil Tanker, CSR, ESP, ShipRight (CM), *IWS, LI, +LMC, IGS, UMS
Type :	Double Hull Oil Tanker
Nationality :	China
Port of Registry :	Hong Kong
MMSI No. :	477962400
Builder :	Hanjin Heavy Industries, South Korea
Delivery :	20 Jan 2009
LOA :	249.97 m
LBP :	239.00 m
Mould Breadth :	44.00 m
Mould Depth :	21.35 m
Summer Draft :	14.952 m
Freeboard (Summer) :	6.398 m
Keel to Mast :	48.786 m

Gross Tonnage :	63294 tons
Net Tonnage :	34735 tons
Light ship :	19419 tons
Deadweight (Summer) :	115458.70 tons
Displacement (Summer) :	134877.70 tons
Main Engine :	Hyundai-Man B&W 60SMC-C7 (13560 kW x 105 RPM)
Propeller :	Single Fix Pitch
Anchor :	2, 13 Port & Stbd., 92mm Ø
Cargo Pumps :	3 x 2800m^3/hr @ 130m
Ballast Pumps :	2 x 1500m^3/hr @ 25m
Cargo Tank Capacity (98%) :	128,005.26m^3 (including slops)
Max Loading Rate :	9000 m^3/hr
Max Discharging Rate :	8400 m^3/hr
IFO capacity :	3344.08 m^3
MDO capacity :	191.32 m^3
Fresh Water capacity :	415.16 m^3
Daily consumption :	F.O. 51.00 Tons D.O. 4.5 Tons (in anchorage)