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Coalition of the willing is another warning for regulators

THE INTERNATIONAL MARITIME Organization's 2050 greenhouse gas emissions strategy was always meant to be a starting point.

The newly unveiled Getting to Zero coalition is the reasonable next step.

The hope from the very beginning was that mobilisation on the regulatory side would resonate with businesses that would redirect their commercial choices in favour of greener practices and technologies.

After the launch of the Poseidon Principles to incentivise decarbonisation through lending policy, this new coalition wants to turbo-charge research and development in a commercial manner to get viable zero-emissions vessels on the water by 2030.

There is now a visible coalition of the willing prepared to take a leading position on the industry's future.

They have clocked that this is not simply a shipping problem — this is a generational effort that requires a cross-industry approach prepared to engage in politics, finance and regulatory problems from the supra-national foras to the micro detail of national policy.

Much of the coalition's fate will depend on extending the scope of the efforts beyond the heavyweight names who have pioneered this launch effort to include as much of the deeply fragmented industries that surround them. From there, it is about ensuring a shared vision between industry, governments and a framework to support a rapid succession of changes.

There is power in numbers, whether that is in dollars, oil volumes or ships.

The inclusion of energy suppliers is an important area that needs some heft. Shell is the only major oil and gas supplier to sign up to the coalition so far and while it is reasonable to expect the rest will join, sooner rather than later, their involvement in the necessary R&D and direction of the project is essential.

By the same token, more shipping companies, banks and all other relevant stakeholders must now consider it an imperative to join. As one of the coalition members put it, it is more important to see who joins now than who has signed up for the launch.

These coalition members do not work in a vacuum and arguably, given the intense public pressure on corporations to decarbonise, these CSR-savvy, customer facing companies who in most cases have already committed to going above and beyond would have taken some kind of action even without the IMO strategy.

Which is exactly the point. Regulators are there to ensure all levels of an industry move together at a minimum pace.

Incentives

If the IMO wants the industry to meet its targets and the potentially higher ones that are coming up in the 2023 revision of the current strategy, it needs to provide incentives and certainty even for those less willing to take bold climate-based decisions.

Maersk head of sustainability strategy and chief advisor on climate change John Kornerup Bang admitted progress has been slower than desired in the IMO since the adoption of the strategy.

He told Lloyd's List that over the next year, IMO not only needs to agree on short-term GHG reducing measures but must also start assessing long-term measures as well.

To those unfamiliar with IMO proceedings, this seems a reasonable request. But the organisation moves at a different, often frustrating, pace and what appears to be straightforward can become complicated amid two weeks of negotiations.

Which is exactly why the IMO needs to start work on this now; without regulatory movement, a two-tier market could emerge composed by those willing to move independently and those willing to fulfil their minimum obligations.

What is appropriate for the long term is up for discussion. But for many in the industry, an enabling policy framework will have to ultimately include a market-based measure that discourages the use of carbon-based bunker fuels.

While Mr Kornerup Bang said that Maersk has supported a bunker levy because it is easier to administer, he qualified that the actual measure is secondary to the policy purpose it will serve.

"Measures that penalise, economically, CO2 emission so you rebalance the competitive gap between the net zero solutions and [GHG] emitting solutions, that is inevitable that it has to happen to a certain extent," he said.

When governments convene at the IMO over the next year, they must pick up the pace, capitalise off the momentum of movements like the Poseidon Principles and the coalitions and accelerate decisions.

If not, they do not risk being simply obsolete but even becoming an obstacle to shipping's decarbonisation.

WHAT TO WATCH

Shipping launches 'moon-shot' initiative to develop zero emission vessels by 2030

AN INDUSTRY coalition of 60 companies, many of them major international corporations, has committed to developing commercially viable, zero-greenhouse gas emissions vessels by 2030.

The ambitious target, launched today in the full glare of media attention as the UN Climate Action Summit gets under way in New York, is an unprecedented industry moon-shot initiative designed to accelerate industry efforts towards decarbonisation and add pressure on national and international regulators to support more rapid transition to fully decarbonised shipping.

"The ambition of the 'Getting to Zero Coalition' is to have commercially viable zero-emissions vessels operating along deep-sea trade routes by 2030, supported by the necessary infrastructure for scalable zero-carbon energy sources including production, distribution, storage and bunkering," the coalition said in a statement.

The coalition comprises 60 initial members including shipping companies, charterers, banks, ports, insurers and classification societies, but the group anticipates a rapid expansion of membership.

While there is no formal structure in place yet, the coalition heavyweights including Citi, Cargill, Lloyd's Register, Maersk, Shell, Trafigura and Euronav are taking the lead in the launch phase of the operation, which will then cast the net wider to bolster membership.

Beyond 2020, the focus will be on technological advancement, alternative fuel production and cost, and the launch pilot projects with zero emissions fuels.

"By the end of 2023, it is expected that the possibility of a commercially viable ZEV operations by 2030 is generally accepted among key stakeholders beyond the coalition," the coalition said.

But eventually elevated awareness and early steps in the intended direction will need to be augmented by appropriate policies, supporting critical infrastructure well beyond the design of the vessel.

"80% of the challenge here is everything that needs to happen on land; infrastructure, refineries, new energy," Maersk head of sustainability strategy and chief advisor on climate change John Kornerup Bang told Lloyd's List, adding that political pressure was part and parcel of the coalition's intentions.

Mr Kornerup Bang lamented the fact that, thus far, many countries had not carried through with their commitments to meet the Paris Agreement targets when it comes to land industries.

"There is a gap that is also a problem for us as we are making the green transition because we are on the receiving end of what the terrestrial systems are capable of doing," he said.

The IMO's GHG strategy is limited to emissions from shipping and does not concern the production of the fuels that ships use.

Whole lifecycle

However, some stakeholders have argued that shipping's quest for alternative fuels should consider their whole lifecycle to prevent GHG emissions during their production.

The coalition intends to focus on the deployment of fuels with zero GHG emissions throughout the lifecycle but acknowledged there may have to be a period when non-zero lifecycle missions fuels are used.

"If we rely on any energy source with an initially non-zero upstream emission, there needs to be evidence that the energy source will become zero at the latest within the timescales of completing shipping's decarbonisation," the coalition said in a statement

The onus remains with the IMO

Mr Kornerup Bang said that the coalition understands to access a commercially viable carbon neutral vessel in 11 years, the shipping industry will need to find ways to rapidly reduce technology costs and find ways to establish adequate investment in land infrastructure.

"But we are under no illusion that we can reach the actual goal without progress on the regulatory side. So, we see ourselves as a demandeur for the needed measures to come in place by the IMO," he said.

The coalition's timeline suggests that in eight years' time, aside from having seen the proven the safety, ramped up production and decreased price of zero emissions fuels, policy will play an important role in the movement's success.

"By the end of 2027, it is expected that the policy environment, needed to facilitate the deployment of ZEVs has been established, making commercial investments in ZEVs bankable," the coalition states.

Mr Kornerup Bang acknowledged that IMO meetings since the 2018 strategy actual progress that subsequent meetings have made is simply not enough.

"We achieved less than we had hoped for. The next meetings are really crucial. We will need higher speed than we saw in the latest meetings," he said.

A preliminary IMO meeting on GHG emissions is happening in mid-November, while the decision-making environmental committee meets again in March 2020.

Coalition of the willing

In addition to the 60 launch members, the coalition, which came about as a collaboration among the Global Maritime Forum, the World Economic Forum and Friends of Ocean Action, also has six so-called knowledge partners to help it meet its goals, including UCL and the Sustainable Shipping Initiative.

Members aside, the coalition is also supported by seven other institutions and organisations, including the United Nations Conference of Trade and Development.

Additionally, the governments of 11 countries, including Denmark, the UK, South Korea and Chile, officially endorsed the coalition.

Stena Impero release process has started, Iran says

THE British-flagged tanker detained by Iran will be released soon, according to reports yesterday citing an Iranian maritime official.

Stena Impero was detained by Iran's Revolutionary Guards in the Strait of Hormuz in July concerning alleged marine violations.

"After the issuing of the ruling for the end of detention of the English tanker *Stena Impero* this vessel will soon, and after the passing of 65 days, begin its movement from the port of Bandar Abbas toward international waters," said Allahmorad Afifipour, the head of the Ports and Maritime Organisation of Iran in Hormozgan Province, according to the Fars news agency.

The process for the tanker to exit Iranian waters has been started but the legal case against the ship is still open and the results of the case will be announced, said Mr Afifipour.

Stena Impero was detained two weeks after Britain seized an Iranian tanker off Gibraltar. That vessel was released in August.

On September 5, Iran released seven of the 23 crew members from the Stena vessel.

OPINION

Shipping needs a holistic view on ship emissions

IT is widely accepted that none of the current marine fuels will allow international shipping to deliver a halving of carbon dioxide emission from levels seen in 2008.

The International Maritime Organization laid out this target for 2050 in April 2018, less than two years after mandating the implementation of a lower cap of 0.5% sulphur in marine fuel from January 1, 2020.

At an industry conference this month, product tanker player Torm cited results from a recent study pointing to potentially higher CO2 emission associated with refining process for 0.5% sulphur fuel oil and marine gas oil compared with that for the 3.5% fuel oil primarily being used to power ships.

Advocates of liquefied natural gas and methanol have also conceded that the use of these alternatives to replace fuel oil will not yield the desired halving of CO2 emission from ship operations, so long as they are derived from fossil sources.

That said, LNG and methanol produced from recycled or renewable sources certainly still hold promise.

One licensed LNG bunker player last week touted the production of so-called synthetic LNG drawn from captured and recycled CO2 as "carbon neutral".

DNV GL in another study concluded three years ago also argued that "CO2 from combusted bio-methanol is considered climate neutral".

These claims are valid only if regulators agree to adopting a "lifecycle" approach to calculate ship emissions.

In other words, emissions from the consumption of any ship fuel would not be taken only when it is combusted.

Rather, in a lifecycle analysis, the overall emission of any ship fuel is calculated after assessing the greenhouse gas impact not only of its consumption, but also of its production.

This brings forth one fundamental question in need of an answer or the industry risks putting the cart in front of the horse.

International shipping needs to start investing in research and development of alternative fuels — this is a given for sure.

The World Shipping Council has thus far reiterated a joint call with several industry partners, for a body to be set up under the IMO to research and development alternative fuels.

The joint proposal also suggested for this R&D body to draw fund from a levy to be imposed on fuel use.

The IMO in outlining its initial greenhouse gas strategy had said that one goal would be to develop "robust lifecycle GHG or carbon intensity guidelines for all types of fuels" so as to facilitate the effective uptake of alternative low-carbon and zero-carbon fuels.

This goal is likely to call for cross-industry collaboration not least with energy firms and regulators.

But shipping players can also proactively get the motion going by dedicating more air time to debating and agreeing on how to measure GHG emission, rather than the merits and demerits of future fuels.

ANALYSIS

Saudi drone attack seen boosting tanker earnings

CLEAN and dirty tanker earnings are set for a stronger-than-anticipated fourth quarter, as the drone attack on two Saudi oil facilities leads to a sudden readjustment of seaborne export flows for crude and refined products.

Rates for very large crude carriers shipping Saudi crude to China already climbed by 54% for the week ending September 22 after the September 14 attack wiped out 5.7m barrels per day in Saudi oil production.

Earnings are expected to build on these gains this week amid doubts that the Kingdom can meet its ambitious target to fully restore crude production by end-November to 12m barrels per day, as well as maintain exports at pre-attack levels.

Longer-haul, replacement crude shipments to Asian refiners will be positive for VLCCs and suezmaxes, brokers told Lloyd's List. Runs have been cut by 1m bpd at the Kingdom's refineries, which will also lead European buyers of jet fuel, gas oil and diesel to seek supplies in the Far East to replace lost cargoes.

"We don't expect Saudi exports to increase in the fourth quarter this year," said shipbroker Braemar ACM in a special report published Friday. "Asian refiners will therefore need to increase imports of crude, mainly from the Atlantic basin. That will support VLCC demand."

After a brief interruption, Saudi crude exports have resumed at pre-attack levels of 8.4m bpd, equivalent to loading about four very large crude carriers daily. But to meet contractual obligations to Asian clients and keep exports steady, Saudi Aramco has curbed domestic refinery runs and drawn down inventories. Some 70% of Saudi crude is exported to Asia, while a third of its middle distillate exports sail west to Europe.

Oil data analytics company Vortexa said changes in refined product flows are already apparent.

"Tender results and bookings indicate that Saudi Aramco is arranging alternative supplies to meet customer demands," the company said in a briefing.

"Media reports this week also showed that ATC (Saudi shipping arm) has purchased naphtha cargoes from India's state-controlled refiner Hindustan Petroleum (HPCL), via tender.

"ATC has also made bookings to load naphtha from European ports to deliver to Asia, shipping fixtures emerging this week show, for an LR1 tanker to load from Greece end-September."

Stockpiling kerosene

Vortexa forecast European jet fuel buyers would seek imports from Asia and India, resulting in longer voyages that will add to tonne-mile demand. However, refiners in Asia, South Korea and China typically begin stockpiling kerosene, which is almost identical to jet fuel in specification, for the Japanese winter. This could see a spike in diesel and gasoil prices ahead of IMO2020 implementation of the lower-sulphur cap for marine fuels in January.

Two product tankers expected to load from Jubail port last week diverted to the Ruwais refinery in the United Arab Emirates, and the west coast of India to load diesel cargoes, according to Vortexa. Shipments of liquefied petroleum gas to main customers India, Japan, South Korea and China are also likely to be interrupted, the report said, with 225,000 bpd removed from the market.

Spot tanker rates were already expected to rise before the attack in the seasonally stronger winter market, US-based tanker shipbroker Poten & Partners said Friday. This year, there is added pressure that will keep rates positive: refiners need to boost runs to produce more marine gasoil, and many tankers are temporarily out of service to install scrubbers.

"Saudi Arabia was the only country with significant spare production capacity in the market to compensate for unexpected outages or disruptions," according to Poten's weekly report.

"Even if Saudi production quickly returns to pre-attack levels, it will take longer for the spare capacity cushion to be re-established.

"If any unexpected interruptions happen elsewhere in the world, it will be much harder to replace lost barrels. As a result, the oil and tanker markets are facing significantly higher upside risk than one week ago."

Braemar ACM said a third of the buyers of Arab Light and Arab Extra Light grades were Western refiners, who will seek alternatives from within the Atlantic basin. Saudi Aramco has cancelled some of these medium-sour cargoes, offering a heavier crude type.

"Suezmax and aframax demand in the west is likely to increase as a result," the report said.

"Refiners in Asia meanwhile are likely to need more light and sweet grades, primarily from the Atlantic basin, to blend down the heavier and more sour barrels on offer from the Saudis. An increase in Western barrels flowing to Asia will continue to support VLCC demand in our view."

Braemar said replacement trades were likely to be longer-haul "on balance", supporting demand growth for CPP trading tankers.

"A strong crude market is likely to mean that long range tankers will enjoy the upsides from these longer-haul trades, instead of the cargoes being poached by new built uncoated tankers in the Far East."

Saudi outage changes marine fuel economics as owners move to meet IMO deadline

FUEL oil spreads have shrunk after drone attacks on two Saudi oil facilities curbed crude production, lowering refinery runs and products output in the kingdom. As well as hiking prices for fuel oil, gasoil futures also gained, on expectations exports of diesel, jet fuel and other middle distillates would be affected by the outage.

The spread — or difference in price — has considerably narrowed between high-sulphur fuel oil futures with 3.5% sulphur and very-low sulphur fuel oil with IMO 2020 compliant 0.5% sulphur content.

The price movements are being monitored by shipowners as they transition ahead of the January IMO2020 switchover to lower-sulphur bunkers. The spread between HSFO and compliant fuels needs to remain wider for those with scrubbers and using cheaper HSFO fuels to quickly recoup the investment in sulphur abatement technology.

The difference in price between 3.5% HSFO and 0.5% marine fuels future contracts for September shrunk to $78.45 per tonne for barges bought in Singapore, according to London's ICE Futures Europe Exchange. That compares with a spread of $120.79 per tonne on September 12, the last trading day before the attacks on September 14.

The spread also narrowed for October contracts, to $139.50 per tonne, versus $166 per tonne a week ago on the same contract. But the difference in price remains wider and largely unchanged for 2020. The January futures differential narrowed by only 50 cents over the past week, to $254 per tonne, suggesting market confidence the interruption to fuel oil supply is temporary.

HSFO prices spiked on news of the Saudi attacks, given the kingdom's reliance on the fuel for power generation and role as a significant exporter after the summer peak. Fuel oil production in Saudi Arabia topped 501,000 bpd in July 2019. Imports topped 292,000 bpd that month while exports reached 130,000 bpd, the latest data from the Joint Organisations Data Initiative show.

Although national oil company Saudi Aramco said crude production will return to normal levels by November, futures prices for HSFO have gained along the curve in the Middle East Gulf. January contracts for 380 CST marine fuel in the Middle East Gulf are valued at $240.31 per tonne compared with $219.78 per tonne a week earlier.

The marine fuels market amounts to about 4m bpd. This quarter marine gasoil sales are estimated to increase by 900,000 bpd as shipowners begin the transition away from fuel oil, according to the Paris-based International Energy Agency. HSFO demand is predicted to plunge by 1.2m bpd this quarter and VLSFO by 150,000 bpd. The estimates were made before the Saudi outage.

MARKETS

Seaborne trade growth forecasts downgraded amid economic headwinds

SEABORNE trade growth has been revised lower by Clarksons Research as the slowing world economy and escalating US-China trade war reduces shipping volumes.

The research unit of the world's biggest shipbroker estimates growth in volumes will be 1.7%, down from the 2.9% increase previously forecast. Tonne-mile demand growth — which measures distance travelled by volumes carried — is now seen as growing by 2.2%, from the prior forecast of 3.4% at the start of 2019.

"In tonne terms, this would be the slowest growth environment since 2009, impacted by weakening economic conditions and issues such as the 'trade war' and Vale dam collapse," Clarksons Research said in a note.

"With global economic concerns building, risk of further downgrades to demand need to be tracked closely. For now, our 2020 projections are more positive but need to be monitored", it said.

Vale, the Brazilian miner, cut iron ore shipments over the first quarter after ore tailings dam breach in January shut down production of several mines, causing dry bulk rates to plummet. Iron ore supply reactivation and the retrofitting of scrubbers on larger dry bulk carriers in the last half of 2019 is likely to boost rate recovery for bulk carriers, the report said.

Some 1.8% of seaborne trade is directly affected by tariffs imposed by China and the US in their escalating spat, the note said. This accounted for a 0.5% reduction in revised tonne mile demand figures, after substitution trends were accounted for.

The strongest demand growth is seen for liquefied natural gas shipments, forecast to gain by 8%. Liquefied petroleum gas is set to rise by 5%, while oil trade is set for the lowest growth, at 0.8%. Dry bulk's 1.9% growth was described as "sluggish".

Clarksons did not provide any figures about its demand growth revisions. But in its weekly report issued August 30, the shipbroker put world seaborne trade at 12.1bn tonnes. That included 5.3bn tonnes of dry bulk, just over 3bn tonnes for crude and refined products, and 1.9bn tonnes for containerised trade.

Limited supply growth in 2020, alongside any "wildcard" impact of the IMO 2020 sulphur cap, are having a positive impact "and may provide further support next year", according to the report. Overall fleet growth is projected at 3.3 percent in 2019 and 2 percent in 2020.

US Gulf tanker rates gain as Asia heads west to replace cancelled Saudi cargoes

US Gulf-China tanker rates have hit their highest figure this year as Asian refiners scramble to charter very large crude carriers to ship replacement cargoes from the Atlantic basin after attacks on Saudi oil facilities temporarily stopped production.

Charterers of VLCC are now paying more than $8m for a lump sum voyage from the US Gulf to Asia, fixture information analysed by Lloyd's List shows.

This equated to time charter equivalent earnings of $38,633 per day, according to the London-based Baltic Exchange. That is the highest since the bourse introduced the index to its dirty tanker pricing in March 2019 and the most observed in fixture data going back a year brokers said.

Before the September 14 outage that temporarily removed more than half of Saudi crude output, earnings on the US Gulf to China route were at $28,354 daily, Baltic Exchange data shows.

Many VLCCs fixed on the route to Asia late last week were on confidential terms. The last deal on reported to the market saw Equinor provisionally charter a VLCC for $8.1m to ship 270,000 tonnes of crude to South Korea.

Saudi Aramco cancelled Arab Light cargoes last weekend replaced them with heavier grades, affecting Asian suppliers. The medium-sour Arab Light has a density or API of 33 and 1.77% sulphur. This closely matches crude produced in the Gulf of Mexico, US Energy Information data shows.

Brokers said there was an immediate shortage of available VLCCs for the US Gulf at the same time as some of the largest crude tankers were out of the market having sulphur abatement technology fitted.

The search for lighter grades also ramped up Suezmax earnings for tankers. VLCC rates on the Saudi-China route have climbed by 54 in the past week, while West Africa-China suezmax daily rates are now more than $40,000 according to the Baltic Exchange.

While increased bunker prices accounted for some of the gains, brokers said the uncertain outlook for Saudi cargoes was clearly helping at a time when seasonal demand was peaking.

IN OTHER NEWS

Mississippi port has 'no appetite' for the container trade

MARK McANDREWS, director of the Port of Pascagoula in the state of Mississippi, is clear on the niche his facility occupies among other gateways along the US Gulf Coast such as New Orleans to the west and Mobile to the east.

"Look, we're never going to be a load centre for containers here because there's less than four million people in the whole state," Mr McAndrews tells Lloyd's List in a recent interview.

"There's a perfectly fine container terminal right down the road in Mobile and another nice container terminal over there in New Orleans," he says.

Eastern Pacific eyes further LNG-fuelled opportunities

IDAN Ofer's Eastern Pacific is understood to be in "active dialogue" with several partners about liquefied natural gas-dual-fuelled vessels as pro-LNG charterers continue to back gas as a viable step in the right direction when it comes to reducing carbon emissions.

As one of the first tonnage providers to speculatively order a series of dual-fuelled LNG containerships in 2017, Mr Ofer's bet has paid off handsomely, with CMA CGM signing up the sextet of 15,000 teu vessels on a 15-year deal at a charter rate of about $55,000 a day.

The deal marks a notable strengthening of ties between Mr Ofer and CMA CGM's chief executive Rodolphe Saade, who are understood to share a common vision when it comes to emissions reduction strategy, but it is also a strong indicator of Eastern Pacific's strategic belief in LNG-fuelled tonnage as a mid-term investment prospect.

UK Brexit freight and ports contracts start to emerge

BRITTANY Ferries, DFDS, Irish Ferries, P&O Ferries, Seatruck and Stena have all made it on to a UK government shortlist to provide international freight capacity in the event of a no-deal Brexit.

A total of eight companies are now signed up to the so-called framework that will now allow them to bid for additional freight capacity contracts, thought to be worth up to £300m, on an ad hoc basis over the next four years.

The transparent process and selection of established companies pre-vetted as being able to deliver on contracts marks a careful revision of previous government attempts to secure additional freight capacity that were cancelled in March, losing the government £50m in the process.

MSC Gayane crew members charged after US cocaine seizure

A US grand jury has indicted a seaman from Montenegro for his role in the attempt to smuggle some 20 tons of cocaine through the Port of Philadelphia on board MSC Gayane earlier this year.

Nenad Ilic, a nautical engineering cadet from Montenegro, was charged with conspiring to violate maritime drug-smuggling laws, a count that carries a mandatory minimum sentence of 10 years if he is convicted.

Federal, state, and local law enforcement agents boarded the containership on June 17, 2019, when it arrived at the Packer Marine Terminal in Philadelphia and seized 19.76 tonnes of cocaine.

India's Petronet signs LNG deal with Tellurian

NDIA's Petronet LNG said it signed a $7.5bn agreement with Tellurian to buy into its proposed liquefied natural gas terminal in Louisiana, in a move that could potentially open up a major trade route for longhaul liquefied natural gas cargoes from the US to India.

Petronet will spend $2.5bn for an 18% equity stake in the $28bn Driftwood LNG terminal and negotiate the purchase of 5m tonnes per annum of gas with a targeted timeline to a binding sale and purchase agreement of March 31 next year, Tellurian chief executive officer Meg Gentle said in a statement.

This follows a previous memorandum of understanding between Driftwood and Petronet announced seven months ago, but in this case, includes a contemplative volume commitment.

MEO prioritises creditor recovery in debt revamp

FINANCIALLY troubled Miclyn Express Offshore on deciding against accepting the indicative proposals it received from its potential investors, is pursuing a debt revamp that will see its sole bank lender, DBS, emerge as its largest shareholder.

The offshore support vessel owner-operator did not name any of the potential investors though it indicated that one counter-party from the Middle East did not follow up with a proposal after initial talks.

Lloyd's List has earlier reported that it has held talks with DP World, MMA Offshore and a third unidentified listed offshore player.

TEN agrees $35m preferred share placement with investor

TANKER owner Tsakos Energy Navigation is raising $34m from a private placement of shares with an outside investor.

The deal, which comes in a thin period for capital raising by shipping in the US public markets, will see the unidentified "leading maritime institutional investor" take 3.5m zero-coupon 'Series G' redeemable convertible preferred shares in TEN at a price of $10 per share.

The shares will be entitled to any dividends TEN declares on its common shares as if converted.

Tropical storm Imelda disrupts shipments from US Gulf coast

TRAFFIC flow through the Houston Ship Channel, one of the busiest waterways in the world, continues with some restrictions after strong currents in the aftermath of tropical storm Imelda restricted shipping movements.

The channel had been closed for ships with drafts higher than 30 ft above Lynchburg Ferry, situated closer to the mouth of the arterial waterway.

East Texas refineries such as ExxonMobil and Total have shut key units and cut production after Tropical Storm Imelda brought days of heavy rain to the region. But the refineries are expected to resume production this week.

For classified notices please view the next page.

INVITATION TO TENDER

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

RE: HCAJ 13 of 2019

The ship or vessel **"BRIGHTOIL GALAXY"** (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 13 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 13 of 2019"** (the "Deposit");
   (d) be expressed to be irrevocable until 16 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 9 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 9 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 9 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 16 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
19 September 2019

PARTICULARS OF VESSEL

Vessel's name:	BRIGHTOIL GALAXY
IMO No. :	9602631
Port of Registry:	Hong Kong
Type of Vessel:	Double Hull Crude Oil Tanker (VLCC)
Builder:	Hyundai Heavy Industries Ltd, Gunsan, South Korea
Built (Delivery Date):	26th November 2012
Classification Society:	Lloyd's Register
LOA/LBP :	333.14 / 319.05 m
Breadth (moulded):	60.00 m
Depth (moulded):	30.40 m
GRT:	161,296 mt
NRT:	110,773 mt
Lightship :	44,817 mt
Summer Deadweight:	299,999 mt
Summer Draught:	21.252 m
Main Engine:	Hyundai MAN B&W 6S90ME C8.2 Tier II
MCR:	30,423 kW @75.6 rpm
NCR:	27,380 kW @73 rpm
Auxiliary Engines (x3):	Hyundai-Himsen 6H21/32 (1,277 kW @ 900 rpm)
C.O.T. Capacity (included slop tanks):	353,626.4 m^3

LEGAL NOTICE – General Decree Limiting Liability

Vessel: **MV "MAERSK HONAM"**

Case: (1) A.P. MOLLER SINGAPORE PTE LTD and (2) MAERSK LINE A/S v (1) MONAVA TRASPORTI INTERNAZIONALI SPA (together the "Claimants") and (2) ALL OTHER PERSONS CLAIMING OR BEING ENTITLED TO CLAIM COMPENSATION AND/OR DAMAGES BY REASON OF, OR ARISING OUT OF, THE EXPLOSION AND SUBSEQUENT FIRE ON THE "MAERSK HONAM" ON OR ABOUT 6 MARCH 2018 (together the "Defendants"). Claim No: AD-2018-000156

The claim relates to an incident whereby there was an explosion and subsequent fire on board the Vessel whilst she was underway approximately 900 nautical miles from Salalah and 340 natural miles from Agatti Island, Lakshadweep, at approximately 19:45 (local time) on 6 March 2018.

The Owners of the Vessel, A.P. Moller Singapore Pte Ltd, and the operators/managers of the Vessel, Maersk Line A/S, have obtained a General Limitation Decree dated 10 September 2019 from the Admiralty Court, Queen's Bench Division of the High Court of Justice limiting their liability in relation to the incident to (i) 123,308,412 SDRs in respect of claims for loss of life and personal injury and (ii) 61,654,206 SDRs in respect of all other losses, pursuant to the Merchant Shipping Act 1995.

A Limitation Fund has been constituted by way of a Letter of Undertaking dated 12 September 2019 issued by The Standard Club UK Ltd registered at The Minster Building, 21 Mincing Lane, London, EC3R 7AG ("the Limitation Fund").

Any party wishing to file a claim against the Limitation Fund or intending to set aside or vary the Limitation Decree has a period of 84 days from the date of the order, namely on or before 4.30pm London time on 3 December 2019. Attention is also drawn to CPR r. 61.11(15) which provides that:

"*No later than the time set in the decree for filing claims, each of the defendants who wishes to assert a claim must file and serve his statement of case on (a) the limiting party [i.e. the Claimants] and; (b) all other defendants except where the court orders otherwise [i.e. the named First Defendant, Monava Trasporti Internazionali SpA]."*

Any party wishing to vary or set aside the Order of 10 September 2019 has a period of 84 days from the date of the order, namely on or before 4.30pm London time on 3 December 2019.

Contact with A.P. Moller Singapore Pte Ltd and Maersk Line A/S should be made through Stephenson Harwood LLP of 1 Finsbury Circus, Finsbury, London EC2M 7SH solicitors for A.P. Moller Singapore Pte Ltd and Maersk Line A/S by telephone on +44 20 7 329 4422 (quote: Cristan Evans/Nikki Chu – MAERSK HONAM LIMITATION) or by email to Cristan.Evans@shlegal.com / Nikki.Chu@shlegal.com.