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Floating storage peak exposes tankers to post-crisis demand

VOLUMES OF CRUDE being held in floating storage have likely peaked as inventories draw down on improving oil demand, exposing the global tanker fleet to the post-pandemic landscape of fewer cargoes as producers cut output to stabilise prices.

Floating storage is tracked on 233.4m barrels on 191 tankers for the week ending May 18, according to Lloyd's List Intelligence.

That is up from 181 tankers on 230.6m barrels on 181 tankers for the week-ago period, but down from the all-time record of 234.8m barrels at the beginning of May.

Some 7% (by deadweight tonnage) of the live fleet of some 2,800 tankers is tracked in floating storage — defined as laden tankers from very large crude carriers to aframax vessels at anchor for 20 days or longer, data show.

That compares with 2.9% three months ago, before countries entered lockdown to restrict movement and control the coronavirus spread.

The scale and duration of floating storage is viewed as key to providing a floor for volatile spot tanker earnings, with daily assessments falling for three consecutive days.

Evidence now suggests that the factors that rapidly built floating storage, which has nearly doubled in three months, are unwinding faster than anticipated.

Most of the 19 vessels tracked leaving floating storage in the last seven days were previously at anchor at ports near Singapore and the US west coast where land storage tank shortages caused discharge delays.

Some 32 of tankers are in floating storage in the Far East, and loaded cargoes in February, before oil demand crashed by as much as a third in March and April.

How many tankers are simply delayed, versus those chartered for specific periods by oil traders for contango plays, is a further unknown that will also influence how quickly tankers exit floating storage.

Earlier in March, the spot oil price was significantly lower than the futures price in six months' time, a condition known as contango.

Oil traders buy the physical cargo and take a futures position that allows them to store and sell later at a profit. The contango has narrowed in recent weeks as the oil market starts a tentative recovery, making further floating storage plays unprofitable.

Some 10 tankers including give VLCCs that each hold 10m barrels are at anchor off India, which reflects shortages of land-based storage, rather than contango charters, according to data compiled by Lloyd's List Intelligence. Floating storage in areas off the UK where oil traders are known to place tankers are much smaller, at eight tankers.

Agreed global output cuts of 9.7m bpd began this month, with tanker earnings slipping as demand for vessels for short-term floating storage wanes and fewer cargoes are exported.

The oversupply that has pushed oil prices to the lowest in nearly 21 years is now seen being reduced as exports are curbed to reflect slower refinery runs, with some estimates the market could move into a deficit over the second half of 2020.

VLCCs account for the highest percentage of tankers in floating storage, at 9.1% of the 773 vessels totalling 238.5m dwt. Suezmaxes in floating storage are tracked at 6.6% from 576 tankers, and aframaxes 2.9%. There are 1,008 of this vessel type shown as trading.

WHAT TO WATCH

Evergreen and Yang Ming in talks over state-aid access

EVERGREEN and Yang Ming have held talks with government officials about accessing a $T30bn ($1bn) state-aid package aimed to support the domestic shipping sector during the coronavirus outbreak.

Taiwan's Ministry of Transportation and Communications said in a release that its officials had met the chairman of each company this week.

Evergreen's Anchor Chang and Yang Ming's Bronson Hsieh discussed the industry outlook as well as the financial rescue plan unveiled last month.

Under the plan, the government has pledged to provide guarantees of no less than 80% of the approved loans plus subsidies for interests.

That will allow local shipping and port firms to gain access to extra financing — on top of their existing borrowing limits — from banks in Taiwan, a ministry official told Lloyd's List.

Shipping is part of the "economic lifeline of Taiwan" and the ministry will "do its utmost" to help the sector weather the difficult times, according to transport minister Lin Chia-lung.

"Companies must apply for the scheme before they can be assessed for the grants," the official said. He added that there had been few applicants so far because shipping companies, including Evergreen and Yang Ming, were still trying to learn more details about the financial support.

The move comes as the shipping industry, especially container shipping, is reeling from the coronavirus backdrop. The expected contraction of box trade demand this year varies from 8% to 20% based on forecasts from different analysts.

Some countries have already started to offer help to their national carriers, as has been witnessed with the $1.1bn state-backed loans landed by CMA CGM and the $600m convertible bonds issued by HMM to policy lenders.

Both Evergreen and Yang Ming have said the measures could be "extremely helpful" to Taiwan's shipping industry in strengthening their credit and replenishing their work capital amid the virus-led recession, according to the release.

The pair, respectively the world's seventh- and eighth-largest container line shipping carriers, recorded a net loss of about $15m and $27m in the first quarter of this year, although the Evergreen's results did not consolidate the full container shipping business of its parent group.

Yang Ming, which is more than 45% state-owned, has already underscored government backing in a recent results announcement, saying its liquidity and refinancing risks remain low despite the impact from the coronavirus backdrop. It also approved a private offering plan earlier this month to raise more funds.

Larger fleets do not always yield savings, says survey

THE widely held belief that consolidation, and scale generally, inevitably delivers lower costs for shipping companies has been called into question by a new survey of 150 management companies.

The study, involving participants with an aggregate fleet of more than 1,500 dry bulk carriers and tankers, did, however, suggest that larger owners were likely to earn better charter rates than their smaller peers.

The results of the first Moore Maritime Index report on 'Shipping trends based on the fleet size' have been described as a "breakthrough", with the research set to continue to establish whether this optimal fleet size can in fact be determined.

"We intuitively already know that fleet size affects financial performance," said Costas Constantinou, managing partner at Moore Greece and global maritime leader for Moore's network.

More interestingly, he said, the study also hints that this relationship is not linear, therefore suggesting that there could be an optimal fleet size, for every category.

While in the dry cargo sector average daily operating expenses, known as 'OpEx', decreased as fleet size increased — up to fleets of 20 vessels — companies with fleets of more than 20 vessels reported the highest daily OpEx, at $5,836 per vessel.

As larger owners tended to operate larger and younger vessels, Moore also compared size-related operating performances for a ship with similar characteristics, a supramax of about nine years of age and capacity of about 55,000-57,000 dwt.

On this basis, larger owners emerged as second most-expensive with average daily operating expenses of $5,713. The smallest fleets of one to five vessels reported the highest OpEx at $6,062 per day.

Crew costs were by far the biggest component in all cases, with the smallest bracket of companies paying on average $3,034 daily, followed by fleets of more than 20 vessels with an average daily crew cost of $2,944 on a supramax.

At the same time fleets of more than 20 vessels had the lowest daily costs for repairs, maintenance and insurance expenses, while they had clearly the highest daily administration expenses — $1,122 versus just $782 for fleets of 11-20 bulkers.

Companies with the largest fleets reported the highest daily earnings, both generally and on the like-with-like comparison.

For the supramax, fleets of more than 20 vessels earned an average time charter equivalent rate of $10,849 versus $10,280 for the smallest fleets, although the lowest rate — $9,429 — was reported by fleets of six to 10 vessels.

In the tanker sector the survey found a similar story on operating expenses, where fleets of more than 20 vessels paid the highest daily OpEx, both generally and in a comparison between fleets for a 10-11 year-old tanker of 45-55,000 dwt.

Ships belonging to fleets of up to five vessels seemed to achieve the most favourable level of operating costs.

Fleets of 11-20 tankers achieved the best combination between net income and operating expenses, with a 'TCE to OpEx ratio' of 1.80.

Companies with more than 20 tankers had the lowest 'TCE to OpEx' ratio, scoring 1.49.

In dry bulk, where the larger fleets also earned the highest charter rates, fleets of 11-20 vessels and larger fleets had the highest 'TCE to OpEx' ratio, scoring 2.12. For fleets of five bulkers or less, daily TCE earnings covered OpEx by only 1.74 times.

"Costs for scaling-up operations do not move in a linear manner," the report said.

"There is no clear evidence that operating expenses, in total, decrease as fleet size increases," Moore concluded. However, it added that operating expenses and income depended on many variables.

"Factors such as human resources skills, unforeseen events and profit margin goals have an effect on companies' operating cost performance," it said.

Although the report was based on a "comprehensive" dataset, Moore said that the observations should be treated as "preliminary" and it hopes to update the data with input from further companies.

The international accountancy and advisory network launched MMI last November as a new online tool for analysis of operating costs and revenues.

Mr Constantinou said that Moore's aspiration for MMI was for it to act as "a business companion".

He said: "We encourage our members to run their own data queries in MMI and seek information in order to obtain a more accurate view of the subject and gain further insights."

OPINION

Will judicial management force asset-stripping of Ocean Tankers?

THE odds are getting higher that one of Asia's leading tanker operators may end up being taken apart — vessel by vessel — in an effort to optimise debt recovery for lenders.

Last week, Ocean Tankers went under the care of judicial managers within days after court-appointed supervisors took control of its insolvent trading affiliate, Hin Leong.

Having been forced into this move, the fate of Ocean Tankers is now subject to negotiations between the family of OK Lim, who founded Hin Leong and the associated shipping business, and the banks.

Ocean Tankers' fleet is essentially comprised of bareboat-chartered vessels owned by three special purpose vehicles grouped under the Xihe Group, which is controlled by the Lims.

The Lims have presumably raised loans backing these vessel-owning vehicles.

Negotiations between the Lims and the bank lenders underwriting Xihe's vessel loans will thus shape the extent of asset divestment.

Ocean Tankers' fleet is valued at more than $2.2bn, according to VesselsValue, suggesting a divestment of its entire fleet would more than suffice in covering the claims linked to its Hin Leong exposure, which total just in excess of $2bn.

But Singapore's judicial management regime has not had a good track record in resuscitating businesses.

Only three firms have emerged rehabilitated under judicial management since the regime was first enacted in 1987 — namely Amcol, Electromagnetic and Barings — said Robson Lee, a Singapore-based partner of US law firm Gibson Dunn.

None of these have been or are now active in maritime and trading, which explains why the Lims initially avoided taking the judicial management route.

Instead, they had initially sought court approvals to restructure Hin Leong and Ocean Tankers through debt moratoria, making clear their intent, at least back then, was to preserve the value of the firms and their larger family business empire.

This appeared justifiable for Ocean Tankers, in particular, as it was seen a healthy business. It was reaping profits from the relatively buoyant tanker sector before news broke over Hin Leong's financial troubles.

With a fleet just in excess of 150 vessels, most tankers in this portfolio were seen trading up until early April, Lloyd's List Intelligence data shows.

However, exposure to more than $2bn in claims linked to bills of lading issued for the cargoes its vessels were to transport or store for Hin Leong placed a dampener on charterers' interest in Ocean Tankers' vessels.

Lenders and clients also lost confidence in the Lims, suggesting Hin Leong and Ocean Tankers would not garner the requisite majority vote to back their debt protection and restructuring if the family were to retain management control.

With the tide having turned against the Lims, the companies could only head down the judicial management path. Hin Leong reversed its first court application and was placed under judicial management within the same week, with Ocean Tankers following on with the same shortly after.

Ocean Tankers' chief executive Evan Lim alluded to this when he flagged up in the judicial management court filing that there was a need to restore market confidence by ditching the debt moratorium in favour of seeking judicial management.

Notwithstanding the circumstances, Ocean Tankers' judicial management application has sparked speculation about the risk of the shipping firm being stripped of its assets instead of being revived as a viable business.

In the same court document, Mr Lim has also acknowledged that plans are on the table to sell "non-core vessels" to pare debts.

That is perhaps not unexpected considering judicial management historically tends to prioritise orderly realisation of assets in favour of debt recovery, which also puts creditors more in control over the proceedings.

As Mr Lee of Gibson Dunn pointed out, judicial management is seen as relatively more supportive of creditors seeking recovery from exposure to distressed companies deemed dysfunctional or fraudulent.

The larger maritime sector is well aware that the tanker segment is still holding up. In the light of this, Ocean Tankers should not have been put in the same basket as Hin Leong or other previous insolvent businesses.

It is too late, however, to turn back the clock. Given the recent developments, Ocean Tankers looks likely to emerge at best as a much reduced and paler shadow of its glorious past, even if the judicial management process manages to raise rescue financing.

ANALYSIS

Separating truth from fiction can ease anxiety among seafarers

THE mental health and wellbeing of seafarers has always been an issue, but the coronavirus outbreak has exacerbated anxiety and worry that should not be ignored, according to those in the industry.

"Seafarers have access to the internet, they read all sorts of information. They can be really frightened by what they are reading," said Kuba Szymanski, secretary-general of InterManager.

He told Lloyd's List that the media should focus on filtering accurate reporting from fake news and avoiding the temptation to speculate.

"Seafarers are not necessarily in full contact with their family; they hear things from their family, and their family is worried about them," he said. "We need to give our seafarers positive news."

Mr Szymanski has been part of a seafarer taskforce that includes the International Chamber of Shipping, the International Transport Workers Federation, the International Seafarers' Welfare and Assistance Network, the port physicians' association Mediport, and the International Christian Maritime Association.

Natalie Shaw, director of employment affairs at the ICS, said there had been a shift in industry focus from initial guidance on hygiene methods, with more attention being given to mental health. Shipping and other groups, including the World Health Organisation, had learned from the outbreaks of Ebola, Mers and Sars, she added.

"These helped us as an industry because we took Covid seriously [early on]," she said during a an industry round table this week. "We were able to provide our medical guidance documentation very quickly...because we already had these issues discussed and shared."

She said coronavirus had become a priority for shipping at the beginning of the year — earlier than for many other industry sectors.

Co-operation between many industry associations working on seafarer issues has been so effective, Ms

Shaw emphasised, that the International Labour Organization has quoted shipping as the first industry sector to have a cross-industry response to the pandemic.

"We are the first group to have a regular meeting of the officers of a special tripartite committee of the Maritime Labour Convention specifically tasked with making sure we are as far ahead of the game as we possibly can be. We are better prepared, and ahead of the curve, than anybody else."

One issue highlighted by other speakers during the webinar was seafarer anxiety.

Rob Verbist, a doctor with Mediport, said seafarers had expressed real concern about the pandemic. "Seafarers are already isolated from the rest of the world and from their family, so this anxiety is a bit more difficult to deal with."

This anxiety over the unknown is heightened when they are told they will need to stay on board beyond their contracts.

"Normally, staying on board isn't a problem because it is scheduled. But when you don't know when you'll be able to get off the ship, it becomes a worry."

The best way to relieve this anxiety, suggested Roger Harris, an executive director at the International Seafarers' Welfare and Assistance Network, is for companies to keep in regular touch with seafarers.

"Even if there's not a lot of new information to pass on, you show they have not been forgotten," he said.

He said his organisation had produced a video that has had received 7,000 visits on YouTube and 26,000 visits on Facebook.

"Companies should develop policies around mental wellbeing; many have already set up their own helpline to support those seafarers."

Jason Zuidema, general secretary of the International Christian Maritime Association, confirmed that seafarer mental health had been a significant concern even before the crisis.

"All of us now realise that social isolation is important for mental health," he said. "We should continue to communicate. The provision of internet for seafarers is not just for surfing but for everyone who wants to be in touch with their families."

Kuba Szymanski concluded by acknowledging that crew change problems are still a concern, not helped by "total lockdowns in places like Dubai and Fujairah," where consulates were closed and unable to offer help to seafarers.

He stressed the need to challenge fake news. "Fake news says: 'no crew changes in Poland.' Excuse me! Go [to the InterManager resource] and have a look. 'No crew changes in the Philippines!' Go and have a look. There are thousands of seafarers being repatriated."

Shippers concerned over service availability amid capacity cuts

THE cancellation of large numbers of containership voyages has had a dramatic impact on both freight rates and the availability of services, with shippers now listing the availability of cargo space as their main concern.

Rates on the Asia-Europe trade reversed in April, making it more expensive to ship goods on the backhaul than the headhaul, following the major disruptions to China's manufacturing base following the coronavirus outbreak, research from BIMCO showed.

"A reversal of front-haul and back-haul spot freight rates is a rare event, especially on a high-volume main trade route like the Far East to Europe, which normally holds a 2:1 ratio," said its chief shipping analyst Peter Sand.

"As capacity has been cut decidedly and fast by all carriers to better fit the evaporating demand for containers out of China, much improved utilisation on the Europe to China back-haul trade has put carriers in a position to command higher spot rates."

Under normal circumstances, for every two containers exported to Europe, only one is exported back to Asia, Mr Sand said. But in February imports and exports were almost on par as backhaul volumes rose by 1% and headhaul fell by one third.

The higher relative backhaul volumes helped carriers implement and maintain general rate increases, he added.

"The pendulum that swung negotiation power from shippers to carriers was repeated in April, lifting back-haul spot rates even further and above the sliding front-haul spot rates."

While the situation has now eased as more exports emerge from China, shippers are still concerned over the availability of cargo capacity.

The latest Shipper Satisfaction Survey from the European Shippers' Council (ESC) and Drewry revealed that while carriers' ability to provide cargo space as needed showed a marginal improvement in 2019, this gain will have been dramatically reversed by the end of the first half of this year.

"Availability of cargo space is now seen by shippers and forwarders as the most important criterion of carrier service, meaning that an improvement in cargo space availability in 2019 was a welcome development for the industry," Drewry said.

But following the coronavirus outbreak availability of cargo space had decreased dramatically.

"This is a market with volatile capacity where liners remain price setters and keep freight rates high, despite very low fuel indexes, whilst they can only plan in the short term themselves," said ESC secretary-general Godfried Smit.

"Our view is that shippers will benefit from shorter-term contracts, and either by diversifying their carriers' selection pool or by concentrating more on financially healthier or government supported carriers."

Indonesian coal cargoes boost supramax rates

STEADY coal flows out of Indonesia have boosted supramax bulker earnings in the Pacific basin, outperforming the rest of the market and providing support to the Baltic Dry Index.

The average daily earnings have almost doubled since the beginning of the year on two routes to Indonesia that contribute to the Baltic Supramax Index.

The return voyage from South China via Indonesia was at $5,422 per day, up from $3,594 on May 1, according to the Baltic Exchange. The trip from South China via Indonesia to east coast India rose to $5,019 per day from $3,546.

The surge in rates is mainly due to coal stocking before the monsoon season and Ramadan holidays and increased bauxite trade.

India has been importing coal from Indonesia in the past two weeks as the lockdown has been relaxed in the country, said a Mumbai-based broker, who pointed out that most of the cargo is heading towards the east coast of India.

Although rates are up last week on the route, the broker said that there might be a reversal in trends over the next couple of days, as cyclone Amphan causes operations in those ports to be suspended.

The port of Dhamra, which handles thermal and coking coal, has cancelled all inward movements of ships from May 18.

Meanwhile, fresh iron ore cargoes from India to China have been observed because of the recent tensions between Australia and China.

Beijing is clamping down on iron ore imports from Australia and has used quality inspections to curb coking coal imports.

In addition, China has added tariffs on Australian barley and is showing signs that it may ramp on other commodities as well.

The latest tension is mainly fanned by Australian support for the US to start an inquiry into the origins of the coronavirus outbreak in Wuhan earlier this year.

MARKETS

Frontline says tanker market faces short-term pressure

FRONTLINE says faster-than-anticipated inventory draws may pull down the tanker market in the short term, but the long-term fundamentals are robust.

The New York-listed tanker owner, which has a fleet of around 70 vessels, quadrupled its net profits during the first quarter. It said freight rates for tankers remained at healthy levels.

"The tanker market has corrected downwards in recent weeks and faces pressure in the short term, both from production cuts and inventory draws, but we believe we are well positioned due to our strong balance sheet and low cost base," said chief executive Robert Macleod.

Frontline recorded a $165.3m net profit in the first quarter compared with a $40.1m net profit in the year-earlier period. Basic earnings per share were at $0.87, up from $0.24. Revenue rose 73% to $411.8m, but operating expenses also increased, by $46m, to $214.7m.

The International Energy Agency warned last week that floating storage has peaked as global oil production cuts have accelerated in May.

"Destocking of inventories will reduce absolute demand for seaborne transportation of crude as well as refined products. The pace at which oil demand recovers will be a determining factor for how long this inventory draw period lasts," Frontline said in its earnings report.

It said that market participants had been surprised by the speed and depth of the recent oil demand recovery given the state of the market less than a month ago.

Like its competitors, however, Frontline is confident on the fundamentals of the tanker market, particularly the supply side.

A 25-year low orderbook combined with an ageing fleet has owners hoping that when vessels used as storage return to trading and rates fall further, tight tonnage numbers will help counterbalance the drop.

"The lack of growth in the global tanker fleet is one of the most critical drivers of long-term earnings and is ultimately more important than near-term dynamics," it said.

Despite the warning of the potentially faster-than-anticipated inventory draw, the second quarter will perhaps be even more profitable for Frontline, whose average daily cash breakeven rate is at $18,600 for its whole fleet for the balance of 2020.

The average daily rate for its very large crude carriers was $74,800, while in the second quarter it has been $92,500 with 75% of the days covered. Suezmaxes and long range two tankers also have higher rates than in the first quarter, with the majority of the second quarter covered.

"We have also secured some very attractive time charters and we will continue to explore period charter opportunities going forward," Mr Macleod said.

IN OTHER NEWS

UK urged to step in to protect ferry jobs

THE UK opposition Labour Party is urging government intervention to stop ferry operators replacing British seafarers with cheaper foreign crews.

The demand from recently appointed opposition shipping spokesman Mike Kane — contained in a letter to Conservative shipping minister Kelly Tolhurst — comes in the wake of P&O Ferries' recent decision to make hundreds of UK ratings and port workers redundant on account of the coronavirus backdrop.

Mr Kane has also pledged his support to a campaign launched by ratings union RMT to fight the job losses, highlighting the likely detrimental economic impact at key ferry ports Hull and Dover.

Landbridge and SFL strike $65m VLCC leaseback deal

CHINA-BASED Landbridge Group has garnered financing for a newbuilding very large crude carrier in a sale-and-leaseback agreement with John Fridriksen's SFL Corp, according to a company release.

The deal will mark the successful delivery of Landbridge Wisdom, the last of the six VLCCs that the Chinese privately run energy player previously ordered at domestic yard Dalian Shipbuilding Industry Co.

SFL said it had agreed to buy the 308,000 dwt vessel for $65m with a seven-year bareboat charter, which will add nearly $60m to the company's fixed rate charter backlog.

Malaysia to supply LNG in ISO tanks to China

MALAYSIA'S liquefied natural gas supplies will be exported in International Organisation for Standardisation tanks, known as ISO tanks, to China for distribution to remote villages.

On Wednesday, National oil company Petronas said it had signed an agreement for term sales of LNG cargoes to Tiger Clean Energy.

The deal calls for LNG to be supplied to Tiger Clean Energy's ISO tank filling facility in Bintulu. The LNG offtaker will then ship the cargo to China, where it will distribute to end-users at remote locations.

Wilhelmsen crowdfunds to support seafarers during pandemic

WILHELMSEN Ship Management is crowdfunding to support maritime charity Mission to Seafarers in addressing the hardships faced by affected seafarers during the coronavirus outbreak.

The curbs on movement have caused major disruptions to crew change operations, impacting welfare severely, with approximately 150,000 seafarers on ships unable to be signed off and another 150,000 seafarers onshore unable to sign on, according to Wilhelmsen.

"This disruption has impacted the affected seafarers' welfare," the company said in a statement. "For those on board, the mental distress and anxiety to get home can be overwhelming. For those onshore, the pressure to generate income for their loved ones can become overbearing."

Landmark moment for US east coast ports investment

US east coast ports are celebrating the arrival this week of the 2014-built, 13,154 teu *Hyundai Hope*, a visible sign that their decades-long investments have paid off to make the region ready for the big ships now traversing the expanded Panama Canal.

"It is a really exciting moment," said Bethany Welch, a spokeswoman for the port of Wilmington, North Carolina where *Hyundai Hope* — the largest ship yet to visit the port — was to dock on Wednesday at about 1500 hrs local time.

The ship's arrival from New York follows investments in major changes at the port of Wilmington and its shipping channel up the Cape Fear River, investments that have both enabled and attracted calls by the largest containerships now visiting the east coast.

UK confirms checks on goods crossing Irish Sea after Brexit transition

CHECKS will be made on animals and foodstuffs entering Northern Ireland from the rest of the UK following the expiry of the Brexit transition period at the end of this year, the government has confirmed.

The move is needed to ensure the entire island of Ireland maintains disease-free status, Michael Gove, the minister charged with seeing through Brexit, told the House of Commons today.

As a result, border controls will be installed at the ports of Belfast and Warrenpoint, as well as Belfast's two airports, and existing facilities will be expanded at Larne.

For classified notices please view the next page.

JUDICIAL SALE
m.v. "RCGS RESOLUTE"

On Monday 22 June 2020 at 11:00 hrs. the seagoing ship, sailing under the flag of Portugal, **"RCGS RESOLUTE"** (the "Vessel") will be auctioned before the Court of First Instance of Curacao at Wilhelminaplei 4, Willemstad, Curacao, at the request of **ARCTICA ADVENTURE AND CRUISE SHIPPING COMPANY LIMITED**, with its registered office in Nassau, New Providence, Bahamas at Ocean Centre, Montague Foreshore, East Bay Street, having chosen domicile at in Willemstad, Curacao, at Cas Coraweg 40, and in Rotterdam, The Netherlands, at Veenhaven 17, of which offices Mrs. mr. E.M. Pennings and mr. C.J.H. Baron Van Lynden respectively, will act as attorneys-at-law.

The judicial sale takes place against and for the account of **BUNNYS ADVENTURE AND CRUISE SHIPPING COMPANY LIMITED**, having its office in Nassau, New Providence, Bahamas at Ocean Centre, Montague Foreshore, East Bay Street, owner of the Vessel.

The judicial sale is based on a Dutch notarial deed of indebtedness dated 17 March 2020 executed by and signed before the civil law notary Mr. O.A.J.H. Smit, in Rotterdam, The Netherlands. for and amount of USD 3.937.669,87 and EUR 47.251,97 to be increased with further principal sums, interests and costs.

The general particulars of the Vessel are: **Type:** passenger cruise vessel; **Built:** 1991, Rauma Shipyards, Rauma, Finland; **Callsign:** C6KA9; **Tonnage:** GT 8445, NT 2573; **IMO Number:** 9000168; **Deadweight:** 1177 mt (at max draft); **LOA:** 107.99 mt; **Breath extreme:** 18 mt; **Depth:** 7 mt; **Engine:** diesel, 5880 KW 2 MAK 8M453C; Propulsion: 2 cp propeller; **Bow thruster:** Kamewa1650D/AS, 700 kW; **Capacity:** 200 passengers in 94 passenger cabins and 125 crew; **Class:** DNV GL, Passenger Ship 100 A5 E4 MC Aut.

No rights can be derived from the above description of the Vessel. The Vessel will be sold as is where is and can be inspected after written consent of the attorney of the executing party. The Vessel is moored at the Mathey wharf in the Anna Bay harbour of Curacao.

The judicial sale will take place by way of the "Dutch auction system". The applicable Conditions of Sale will be deposited with the Court of First Instance of Curacao.

Further information and a copy of the Conditions of Sale can be obtained from Mr. E.M. Pennings, SOLID. attorneys, tel. +599 (9) 846 88 88, e-mail pennings@solidattorneys.com