22 Jun 2017 | **News** | Asia Pacific | Containers | Dry Bulk

No idea on share price surge, Cosco Singapore tells SGX

by Cichen Shen

The company is seeking M&A opportunities, but hint of OOCL being the target makes little sense.

Future relationship between shipyard and container subsidiaries seems unlikely. *Source: macashop/Shutterstock.com*

Cosco Shipping International (Singapore) said it was unaware of any particular reasons for the usual movement of its share prices, in response to questioning from the Singapore Stock Exchange (SGX).

The company, previously known as Cosco Corporation (Singapore), holds part of the shipyard and dry bulker assets of its parent conglomerate China Cosco Shipping Group.

Share prices of the Singapore-listed company jumped as much as 23% on Thursday morning from Wednesday to SG$0.32, but started decline in the afternoon and closed at SG$0.29 today.

“The Company is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which, if known, might explain the trading.” Cosco Shipping International (Singapore) said in an exchange filing on Thursday, when asked by SGX for explanation.

However, it noted that it announced a proposal in May to dispose its 51% stake in Cosco Shipyard Group, a 50% stake in Cosco (Nantong) Shipyard and a 39.1% equity interest in Cosco (Dalian) Shipyard, as part of the parent conglomerate’s plan to consolidate its shipbuilding sector.

Back then, the company also said it intended to use the proceeds from the proposed disposal to replenish working capital, and to fund future projects, which may include mergers and acquisitions.

“In this regard, the Company’s management has commenced and is actively reviewing potential investment opportunities and the Company will provide updates as necessary at the appropriate time.” Cosco Shipping International (Singapore) said in today’s filing.

In addition, it confirmed to SGX that it was unware of any other possible explanation for the trading and is in compliance with the listing rules.

While some news outlets have tries to link Cosco Shipping International (Singapore)’s response with Hong Kong-based Orient Overseas Container Line amid takeover speculations, there is little connection between the two companies, as they are in totally different sectors.

Should the speculation realise, and China Cosco Shipping Group acquires OOCL, the assets would most likely to be injected into its container shipping unit, Cosco Shipping Holdings, whose share trading is currently halted on the Shanghai Stock Exchange.

22 Jun 2017 | **News** | **Shipbuilding** | **Finance** | **DSME**

DSME postpones four-vessel order on owner's request

by Wei Zhe Tan

@ShipShape2003 | WeiZhe.Tan@informa.com

Delivery date pushed back to April 22, 2019

The order had been postponed before, due to changes in vessel requirement.

DAEWOO Shipbuilding & Marine Engineering has pushed back the delivery date of a pair of very large crude carriers and a pair of liquefied natural gas carriers.

The quartet were previously scheduled for delivery by June 1 this year to a European shipowner that South Korea's DSME declined to name.

An original contract had been inked on July 30, 2014 for four VLCCs worth Won402.5bn to be delivered on September 30, 2016.

At the end of December, 2014, the owner decided to change the order to two VLCCs and two LNG carriers for a higher contract value of Won653.2bn, with the delivery date extended to June 1, 2017.

The delivery postponement is unlikely to be a major cause for concern for the shipbuilder in the near term, as its key creditors Korea Development Bank and Export-Import Bank of Korea injected Won200bn in emergency funding to help cover operational costs.

KDB decided on the move — despite a lawsuit from an investor who sought to block the debt restructuring deal — as a further delay in financial support from creditors could jeopardise DSME's efforts to rehabilitate and exit the suspension of trading in its shares on the Korea exchange.

Earlier in the week, the shipbuilder said it received a total of $50m in decommissioning expenses from an out-of-court settlement stemming from a contract termination dispute with Denmark-based Dong Energy.

DSME added that it would incur no losses from the contract termination, as it had already received about 80% of payment in addition to the $50m in decommissioning expenses.

Related Content

- **DSME gets $50m out-of-court settlement for axed order**
- **DSME creditors to start financial aid programme**
- **DSME debt restructuring plan snagged by investor's second appeal**

- **DSME loses patent fight against SHI and HHI**
- **DSME to get $6bn bailout after court dismisses investors' appeal**
- **DSME secures refund guarantee for latest order**

---

22 Jun 2017 | **News** | **Dry Bulk** | **Shipbuilding** | **Asia Pacific**

Taiwan's China Steel Corp orders four newcastlemaxes for $187m

by Cichen Shen

Company orders two vessels at compatriot yard CSBC Corp and two at Japan Marine United.

China Steel Corp placed two orders for double-hulled vessels at its affiliate CSBC Corp.

TAIWAN-based China Steel Corporation has ordered four 208,000 dwt dry bulker newbuildings at two shipyards for a total sum of $187m.

Two orders for double-hulled vessels were placed at its affiliate China Shipbuilding Corp (CSBC) for $47.5m apiece, with delivery scheduled by the end of June 2019.

Two single-hulled vessels were booked at Japan Marine United for $46m per ship, with delivery scheduled for end-June 2020.

The new tonnage was ordered for CSC's wholly-owned shipping unit China Steel Express Corporation, the Taipei-listed steel maker said in an exchange filing.

CSEC scrapped four capesizes built between 1997 and 1998 last year.

According to Clarksons data, CSEC has a fleet of 23 vessels, comprised of 19 dry bulkers, two general cargo carriers, one limestone carrier and one open hatch bulk carrier.

Related Content

- **Seven Chinese shipping-related stocks chosen by MSCI**
- **Yard Talk | A pain in the offshore**
- **Japan wants China in new global shipbuilding regime**
- **KHI confident in China gas play**
- **JES to pay off key stakeholder debt via share issue**

> Yard Talk | How are shipbuilders making money again?

22 Jun 2017 | **News** | Containers | Asia Pacific | Maersk Group

Maersk Line and MCC announce Asia Pacific management changes

by Wei Zhe Tan

@ShipShape2003 | WeiZhe.Tan@informa.com

Bo Wegener takes the helm at MCC, while Rupesh Jain heads up Maersk Line's Southeast Asia operations

Former MCC head Tim Wickmann is leaving Maersk Group to seek other opportunities.

MAERSK has announced changes in its Asia Pacific management team, with veteran Tim Wickmann looking to explore other opportunities outside the group.

Mr Wickmann spent 27 years within the AP Moller-Maersk Group, and most recently nine years as MCC Transport's chief executive.

Maersk Line's current Southeast Asia managing director Bo Wegener will take over Mr Wickmann's post, while Maersk Line's South Korea country head Rupesh Jain will transfer to Singapore to take over Mr Wegener's role.

The management changes are expected to come into force from August 1, 2017.

"Tim has been the driving force behind MCC's unparalleled success, and under his leadership MCC has grown into the successful company it is today. We thank him for his great contributions to the AP Moller-Maersk Group and wish him every success in his career ahead," said Maersk Line Asia Pacific chief executive Robbert van Trooijen.

"The appointment of Bo Wegener as MCC's new [chief executive] makes me confident that MCC is in an exceptionally talented pair of hands. Since joining the AP Moller-Maersk Group in 1995 Bo has distinguished himself in every role he has undertaken. Under his leadership I believe that MCC will continue to grow and succeed."

Mr van Trooijen added: "Rupesh has distinguished himself over his 20 years with the AP Moller-Maersk Group. His knowledge of the market and track record in delivering strong performance results makes Rupesh a great successor for this role."

Related Content

> Maersk Line expands trade finance project

22 Jun 2017 | **News** | Tankers and Gas | LPG | Panama

Panama Canal toll decision expected in two weeks

by Hal Brown

@hal_lloydslist | hal.brown@informa.com

Rise in rates imminent amid healthy flow through the canal from the US to Asia

CONFIRMATION of toll rises for liquefied petroleum gas ships transiting the Panama Canal is expected to be made public on July 5.

The results of the toll proposal are much anticipated, given the canal's impact on LPG shipping, and the process is underway, a source close to the procedure told Lloyd's List.

The canal reopened in June 2016, following an expansion which enabled it to accommodate full-size very large gas carrier ships for the first time in its 103-year history.

The toll adjustment proposal of the LPG carrier segment takes into account traffic behaviour of the panamax and neo-panamax gas carriers and separates the toll structure, creating a new tariff for the panamax locks and another for the neo-panamax locks.

In addition, an increase in toll rates is proposed. An LPG carrier (panamax) with 65,000 cu m of cargo capacity laden would pay $186,950 and an LPG carrier (neo-panamax) of 84,000 cu m of capacity laden — which is also a VLGC — would pay $252,940.

As owners await confirmation of the new toll structure, cargoes continue to be lifted from the US Gulf.

Latest fixture lists show that Dorian LPG has chartered out two VLGCs — the 2015-built *Constellation* and *Continental* — to haul 46,200 tonnes of LPG from Houston, with loading dates of June 25 and

July 4, respectively.

Both were fixed at a rate of $52 per tonne, which suggests the rate on the Houston-Chiba route via Panama has appreciated slightly on last week's levels.

Despite dismal West-East trading margins, cargoes are still being lifted in significant numbers, reflecting the hunger Asia has for imported LPG.

In the Middle East Gulf, new cargoes are expected to materialise this week, which could soak up excess tonnage and halt the decline in the Baltic Exchange's LPG index.

The index settled at $24.60 per tonne at close of business on Wednesday, down slightly from the week-ago level of $26.82 per tonne.

Related Content

- Dorian LPG sees silver lining in shrinking income
- Keep the faith during this time of LPG weakness

22 Jun 2017 | **News** | Tankers and Gas | Europe | Norway

AET lands long-term shuttle tanker charter

by Hal Brown

@hal_lloydslist | hal.brown@informa.com

Vessels will be delivered in 2019

Haaland: Fuel efficiency features built into these vessels will significantly reduce operational costs and climate emissions. *Source: Statoil*

STATOIL has awarded a long-term shuttle tanker contract to AET, one of the world's leading product and chemical tanker owners.

Two AET-owned specialist offshore loading shuttle tankers will be contracted to Statoil for operations in oilfields on the Norwegian continental shelf of the North Sea, Norwegian Sea and the southern Barents Sea, as well as on the UK continental shelf. The twin 125,000 dwt tankers will be built by Samsung Heavy Industries for delivery in

2019.

The two new ships are in addition to the two AET shuttle tankers currently on charter in the same area for Statoil.

The two new shuttle tankers will be built with LNG dual-fuel capability for main and auxiliary engines. The two ships are expected to be the world's first LNG-fuelled dynamic positioning shuttle tankers when they go into operation from 2019.

"The fuel efficiency features built into these vessels, including LNG dual-fuel capabilities, will significantly reduce operational costs and climate emissions," said Statoil senior vice-president for asset management in marketing Grete Haaland.

AET chief executive Rajalingam Subramaniam said: "I am delighted that Statoil has recognised and endorsed the quality of our operations in this most demanding of environments by giving us a further opportunity to support their business with two additional state-of-the-art [tankers]."

Related Content

- **Is Frontline's faith in tanker scrapping misplaced?**
- **Hyundai and Lloyd's Register to develop LNG-fuelled bulkers**
- **Navig8 vessel attacked in the Gulf of Oman**

22 Jun 2017 | **News** | Dry Bulk | Ports and Logis ... | Ship operations

Pilbara to raise port dues

by Nidaa Bakhsh

@LloydsListNidaa | nidaa.bakhsh@informa.com

Authority's board approves plan to raise fees as export volumes reach new highs

Port Hedland: Set a new record in May for iron ore shipments to China, exporting 38m tonnes. *Source: Pilbara Ports Authority*

PILBARA Ports Authority will be increasing port dues at Dampier and Port Hedland in Western Australia from October 1.

This is the first increase in three years, and will be applied to shipowners, the ports authority said in a statement.

The increase of 17% is limited to port dues levied on a vessel's gross registered tonnage and equates to between three and four cents per tonne, it said, adding that all other port fees remained on hold until June 30 next year, as previously announced.

Port Hedland reached a new record in May for iron ore shipments to its most prominent destination, China, exporting 38m tonnes, up from 31.7m tonnes a year earlier. Overall, iron ore exports rose 12% to 44m tonnes.
The port of Dampier saw its monthly throughput rise to 14.3m tonnes last month, up 4% versus a year earlier.

Related Content

- **Capesize spot rates slip below $10,000 per day amid summer lulls**
- **Australia sends a record 38m tonnes of iron ore exports to China**
- **Fortescue sees strong iron ore demand from China**
- **BHP Billiton hits record volume for iron ore output**
- **Pilbara Ports Authority extends price freeze**

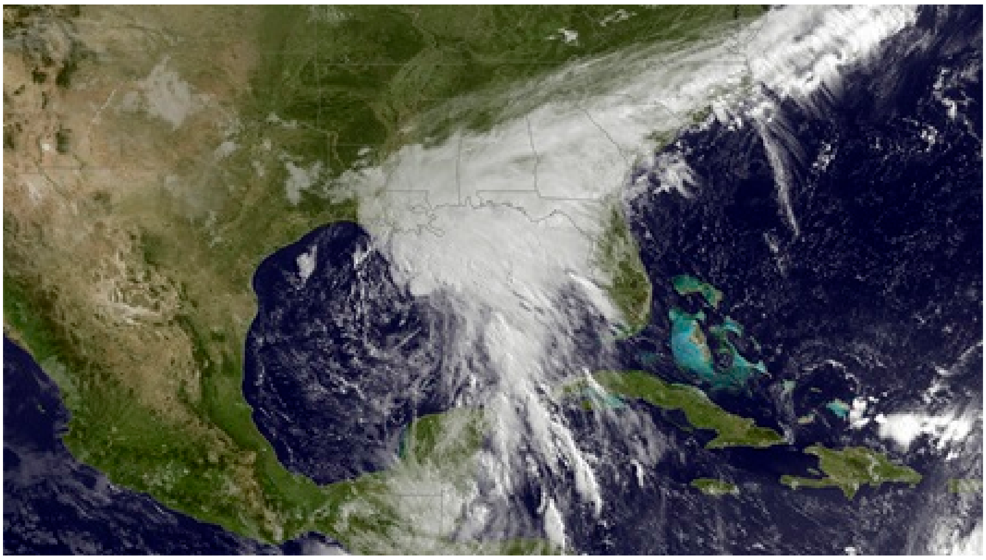
22 Jun 2017 | **News** | **Tankers and Gas** | **Suez and Aframax** | **VLCC**

Vessel offloading still suspended in US Gulf as storm hits

by Hal Brown

@hal_lloydslist | hal.brown@informa.com

High winds and heavy rains disrupt operations at Louisiana Offshore Oil Port



Tropical storm Cindy pictured south of Louisiana, bringing churning tides and bands of rain to the Gulf Coast. *Source: NOAA via AP*

VESSEL offloading operations at Louisiana Offshore Oil Port's marine terminal remain suspended due to tropical storm Cindy.

Offloading was suspended in the early hours of Tuesday because the heavy rains and high winds made it unsafe.

"LOOP is executing its inclement weather plan and will update shippers as the weather system clears the region," said a spokesperson.

All other LOOP facilities and connecting pipelines are reporting normal operations.

The storm made landfall on the northern US Gulf coast, between Cameron, Louisiana and Port Arthur, Texas, early on Thursday morning, according to weather.com.

Gusty winds, rip currents and isolated tornadoes are also expected, it said.

As yet, there does not appear to be an undue backlog of ships waiting to offload, according to vessel positioning data from Lloyd's List Intelligence. Lloyd's List is monitoring the situation and its potential impact on tankers.

LOOP is a deepwater port 29 kilometres off the coast of Louisiana. Most tankers offloading at LOOP are too large for US inland ports.

The storm situation comes as the US continues to grow in importance to tanker shipping, both in importing and exporting cargoes.

Total US crude and petroleum product exports more than doubled from 2.4m barrels per day in 2010 to 5.2m bpd in 2016, according to a report by the Energy Information Administration on Wednesday.

While exports of distillate, gasoline, propane, and crude oil have all contributed to the increase, growth rates and market drivers for each product have varied, the report said.

Related Content

- Offshore markets to bottom out by end-2018, says Rystad Energy partner
- First US and Africa floating LNG export projects make headway
- Falcon Energy cancels $654m jack-up orders
- Oceans hold potential for jobs, growth and opportunity
- Frontline weighs potential for another move on DHT

22 Jun 2017 | **News** | Products | Tankers and Gas | Energy

Strong demand supports US Gulf clean MR market

by Eric Yep

@ericyep | eric.yep@informa.com

US Gulf vessel supply tightens on delays, record production by US refineries and gasoline demand in South America

ATLANTIC basin medium range tanker rates continue to rise on strong demand in the US Gulf, with near record-high production at US refineries and gasoline demand from South America. The benchmark MR Atlantic basket on the Baltic Exchange rose by 28% in the last week, but the gain was mainly due to strong backhaul TC14 trade from the US Gulf to UK/northwest Europe where the rate surged by 75% to nearly $6,000 per day, its highest level since mid-April.

US exports of total motor gasoline have increased by 126%, or 425,000 barrels per day, since 2010, and the growth in exports has happened in tandem with strong domestic consumption, the US Energy Information Administration said on Wednesday.

It said Mexico accounted for up to 53% of total US gasoline exports, making it the top destination for US refineries, underscoring the importance of the trade.

The upcoming Fourth of July weekend marks the busiest driving season in the US and is likely to soak up more gasoline, incentivising imports from the UK and creating more transatlantic traffic.

The number of Americans travelling by car for the Fourth of July holiday will hit a record high this year, fuelled by a growing economy and low oil prices, according to the American Automobile Association. It projects a record 37.5m people will drive 50 miles or more from home during the holiday period.

The fixture tally in the US Gulf MR market for the week ended June 16 was the second strongest weekly number this year, according to Charles R Weber. The brokerage said a total of 44 fixtures were reported, maintaining a four-week moving average at a year-to-date high of 39 fixtures.

The US Gulf to Colombia lumpsum rates have rebounded to $460,000 from $400,000 and the US Gulf to Chile rate has also risen to $1.25m from $1.1m, Charles Weber said.

This article includes an interactive data tool. Please click below to view it.

Click Here

Other shipbrokers have also pointed out that the shutdown of the Salina Cruz refinery and seaport owned by state-run Pemex in Mexico is causing discharge delays. The refinery with a capacity of 330,000 bpd was shut due to tropical storm Calvin.

Additionally, Panama Canal maintenance that started earlier this week is scheduled to run until June 30 and could increase vessel delays for the MR tankers that have been sent to the Pacific Coast of Mexico for deliveries. Owners have been tempted to ballast MR tankers to the US Gulf to take advantage of strong rates, but Asian MR rates have also been on the rebound and this may help boost rates across regions.

This article includes an interactive data tool. Please click below to view it.

Click Here

Related Content

- **China fuel export quotas to boost Asian MR demand**

> What to watch: Product tankers

> Record US fuel production supports clean MR tanker rates

22 Jun 2017 | **News** | Capes | Dry Bulk | International

Capesize earnings plummet below $8,000 per day as main trading lanes see limited activity

by Nidaa Bakhsh

@LloydsListNidaa | nidaa.bakhsh@informa.com

But coal from the US may support Atlantic rates, says brokerage

LIMITED activity on the main trading routes undermined capesize bulker earnings, forcing a drop of 22% in the week to a four-month low under $8,000 per day.

The Australia to China voyage slipped 11% to $4.74 per tonne, while the Brazil to China route sank 14% to $10.90 per tonne, according to indications by the Baltic Exchange.

"Fixing activity has been very limited and the list of available tonnage is increasing," said Fearnleys in a note.

Intermodal reported that cargo volumes out of Brazil were "anaemic", with Pacific trade also thinning, giving charterers the upper hand by forcing owners to reduce rates.

The average weighted time charter on the Baltic Exchange dropped a massive amount at the close on Thursday to $7,618 per day, from $9,748 a week ago. That is the lowest in four months. The index shed 284 points to 993 points, a significant drop.

The capesize index is even underperforming other dry bulk indices, with supramax and panamax both above $8,000 per day as of Wednesday. Only handysize is being quoted lower, at under $7,000 per day.

However, Fearnleys noted that more enquiries for US coal would "give the Atlantic a bit of support".

Braemar ACM said "any signs of a lift could be some time off" though, with owners trying to fix vessels at least above operating costs.

In industry news, participants at the Marine Money conference in the US said the converted very large ore carriers

would be phased out slowly
(Also see "Converted VLOCs to face slow phase out" - Lloyd's List, 21 Jun, 2017.), given the spate of incidents related to these vessels converted from very large crude carriers, particularly the loss of *Stellar Daisy*.

Polaris Shipping's 1993-built 280,000 dwt *Stellar Unicorn* was said to be idled and is anchored off Labuan in Malaysia.

While the company has not confirmed the reason for the lay-up, sources said it may be waiting to go to a scrapyard. The vessel had delivered its cargo of Brazilian iron ore to China at the end of May, having had a three-week wait in Cape Town for repairs following the discovery of hull cracks.
Newbuilding orders are increasing. Taiwan-based China Steel Corporation has ordered four 208,000 dwt dry bulker newbuildings at Chinese and Japanese shipyards for a total sum of $187m with delivery expected in 2018 and 2019.

Related Content

- **Pilbara to raise port dues**
- **Converted VLOCs to face slow phase out**
- **Panamax bucks capesize trend with earnings improvement**
- **Polaris puts Stellar Unicorn into cold layup**
- **Capesize spot rates slip below $10,000 per day amid summer lulls**
- **Seanergy Maritime secures employment for capesize**
- **Australia sends a record 38m tonnes of iron ore exports to China**

Classified

NOTICE

Re: The Vessel known as or formerly known as **"HANJIN CHONGQING"**

PLEASE TAKE NOTICE that the Supreme Court of The Commonwealth of The Bahamas will be moved on Wednesday, the 26th day of July, A.D., 2017 upon an application by Société Générale Asia Limited and The Korea Development Bank, Plaintiffs in action number 00087 of 2017 for an Order that:

1. The priorities of payment out of the sum representing the purchase price paid in purchase of the Motor Vessel "Hanjin Chongqing" (the "Vessel") be determined; (the Plaintiff's having, prior to the hearing date, on three occasions advertised the date, time and place of the said application for the determination of priorities, in two international maritime publications with worldwide distribution);

2. Upon the determination of priorities, the Admiralty Marshal be at liberty to pay to the parties so specified, in accordance with the Order on determination of priorities, the sum payable to the party so specified;

3. The Plaintiffs be awarded their costs of the action, to be paid out of the sum representing the purchase price paid in purchase of the Vessel;

4. And for all further and other relief as this Honourable Court may deem just

AND THAT all Claimants against the fund in court do appear before the Supreme Court of the Commonwealth of The Bahamas at Ansbacher House, Bank Lane, Nassau, Bahamas in person or by their attorneys to assert their claim and that should they fail to do so their claim will be permanently extinguished and debarred.

Dated this 14th day of June, A.D., 2017

HIGGS & JOHNSON
Ocean Centre
Montagu Foreshore
East Bay Street
Nassau, Bahamas

Attorneys for the Plaintiffs