Campbell Johnston Clark
CJC EXCHANGE

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CJC Exchange is a weekly newsletter from **Campbell Johnston Clark**, incorporating with kind permission from **Gibson Shipbrokers** the most recent issue of the Gibson Sale & Purchase Market Report. A blend of market intelligence and relevant industry news, CJC Exchange is distributed free of charge to parties on the CJC mailing list who have given permissions to receive S&P updates from CJC. CJC Exchange is available to new subscribers here.

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Gibson Sale & Purchase Market Report

GIBSON SHIPBROKERS

With over 125 years of expertise Gibson Shipbrokers is a leading provider of Sale & Purchase, Newbuildings, Recycling and Ship Valuation services. +44(0) 20 7667 1000 - sap@eagibson.co.uk - www.gibsons.co.uk

Tankers – Suezmax Sweet Spot

With Europe seeking to avoid Russian oil this week has seen a surge in rates on the TD20 - West Africa to UK route that has reversed recent weak fortunes and is injecting some excitement into the second-hand market. While no suezmax sales makes this week's cut, last week's trio of suezmax sales may prove to be well timed.

Transactions are generally a little thin on the ground this week, but Leonhardt & Blumberg has quietly reared its head again for a pair of deepwell MRs, namely **"CYGNUS" + "SEXTANS"** (51,280 dwt/blt 2007 STX Jinhae) for US$15m apiece, having picked up the **"ARDMORE SEALANCER" + "SEALEADER" + "SEALIFTER"** (47,470 dwt/blt 2008 Onomichi) back in April for US$40m en bloc. Despite the latter reportedly being basis two years TC back and pump-room ships being at a small discount versus deepwell pumps, the price of the one year older new pair of MRs certainly shows how far values have firmed in just three months.

Newbuilding – "Writing on the wall" - Rising asset values

Further newbuilding orders emerged after Posidonia last week, however, what was notable was strong sentiment/ confidence in the tanker market moving forward. The focus has been on aframax/LR2 and MR2 in terms of strong spot rates and T/C, but we are now seeing the suezmax market pick up with spot rates up to US$40k p/d. Logically such improvements in the charter/earnings market will impact 2nd hand pricing and/or see candidates for sale withdrawn. Current strong activity/sentiment aside, as we have been highlighting for most of the year, is the coming favourable fleet supply situation (low orderbooks, large % of fleets 15 years old +) which should provide natural support to the market and rates. However there will be "bargain" buys on modern 2nd hand, or even older. It is hard to see in the near term at this point and furthermore the IEA is forecasting record levels of oil consumption next year of US$101m bpd globally to ram home the theme here. Newbuilding pricing may seem nominally expensive but relative to 2nd hand pricing and credible coming rises it may well represent a more logical acquisition for those looking at fleet renewal/ expansion.

Bulker markets continue to power on and we are aware of further negos ongoing for medium sized bulkcarriers. It is a similar story here of perceived better long-term value for newbuildings versus a potentially short term gain for 2nd hand. Current charter rates make a compelling case to buy 2nd hand but are owners able find the right ship and comfortable in paying another owner a huge premium? Newbuildings are arguably more palatable here in this regard.

Dry Cargo – Turning Corners

As every protagonist is aware, in shipping timing is crucial and certainly with the freight market returning to an upward trajectory will be welcome relief to owners who recently marketed their ships. Asset values remain steady as illustrated by the reported negotiations surrounding the Japanese controlled **"LOWLANDS MAINE"** (76,784 dwt/blt 2005 Sasebo, Japan) having invited offers this week and we understand it is working around US$17m. This would be in line with the recent sale of the Chinese controlled **"ORIENT PRIMA / BEAUTY"** (76,569 dwt/blt 2005 Imabari, Japan) which were sold to Indonesians buyers for region US$17.25m each.

Recycling– Summer Lull

For well over a month now there have been dark clouds surrounding the recycling markets as sentiments continue to remain negative. Steel markets in India have unfortunately had a terrible past few weeks and with monsoons now in full force there seems to be little hope for a recovery. Since the announcement of an increase in duty for steel exports - Indian steel manufacturers have struggled to sell, and the surplus inventory have put immense pressure on local steel plate prices. Meanwhile in Bangladesh, despite this being the best market for Ship Recycling in the Sub-Continent, their local ship-breakers are also in a fairly negative mood as they expect price levels to soften further in the coming months. In Pakistan, steel prices have surprisingly firmed these past few weeks, however ship-breakers continue to remain pessimistic; at least for the summer months. The lack of available ships for recycling is probably the biggest factor keeping scrap prices at levels of around US$ 600/LT; but if we start witnessing a steady flow of tonnage entering the markets, we are likely to then see prices go further down to perhaps in the mid US$500's/LT. With freight markets being generally good across almost all sectors, and owners still digesting these new levels, we could see a fairly quiet couple of months in the world of ship recycling.

Gibson Sale & Purchase Market Report

Vessel Name	DWT	Built	Yard	Buyers	Price ($/m)	Notes
BULKERS						
HL PRIDE	179,656	2016	Dalian No. 2 (CHN)	JP Morgan	reg 45	SS psd 7/21. BWTS fitted.
NEW DAYANG DY4162 + 63 + 64 + 65	64,100	2024	New Dayang (CHN)	CMES Marine	32.5 each	BWTS fitted.
NAVIGARE BOREAS	61,491	2016	DACKS (CHN)	Undisclosed buyer	29.8	In. TC @ $22k pd to 8-9/22. SS psd 9/21. BWTS fitted.
IGNAZIO	58,126	2010	Tsuneishi Cebu (PHI)	Chinese buyer	xs 19	DD due 5/23. BWTS fitted.
BAO PROGRESS	56,729	2011	Jiangdong (CHN)	Greek buyer	17.6	SS psd 3/21. BWTS fitted.
CARDINAL	55,362	2004	Oshima Zosen (JPN)	Chinese buyer	reg 16	DD due 6/22. BWTS fitted.

ANNE METTE BULKER	38,118	2012	Naikai Innoshima (JPN)	Deval	23	SS psd 3/22. Logs fitted.
ANSAC COLUMBIA	37,993	2017	Shimanami (JPN)	Undisclosed buyer	high 28	SS due 6/22. BWTS fitted.
CANOPUS	28,350	2006	Shimanami (JPN)	Undisclosed buyer	13	DD due 3/24. BWTS fitted.
CANOPUS	28,350	2006	Shimanami (JPN)	Undisclosed buyer	13	DD due 3/24. BWTS fitted.
TANKERS						
KOHO I	301,045	2002	I H I (JPN)	Undisclosed buyer	reg 29	SS due 11/22. BWTS fitted. Cap2. Seller's subs.
FSL HONG KONG	115,940	2007	Samsung (KRS)	Brave Maritime	19.5	SS+BWTS due 4/22.
SEA BEECH	106,138	2003	Tsuneishi (JPN)	Undisclosed buyer	15.5	SS due 11/23. Cap 1.
CYGNUS + SEXTANS	51,280	both 2007	STX Jinhae (KRS)	Leonhardt & Blumberg	15 each	Deepwell. SS psd 8/21 + 5/22. BWTS fitted.
PROSPER	9,285	2008	Dongfang (CHN)	Middle Eastern buyer	3.6	Epoxy. IMO II. SS due 5/23.
GAS (LNG / LPG / LAG / CO2)						
GOLAR TUNDRA	87,159	2015	Samsung (KRS)	SNAM SpA	350*	FSRU. *Sale/lease back.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price ($m)	Notes
BULKERS						
Thenamaris	Ultramax	63,000 dwt x 4	Hyundai Vietnam (VIET)	2024-2025	36.5	Tier III.
GENERAL CARGO / MULTI-PURPOSE						
BoComm Leasing	Pulp Carrier	70,000 dwt x 1	Cosco Dalian (CHN)	2023-2024		177-179 mos TC @ $16.9k pd to Cosco Shipping Specialized Carriers.
China Merchants Bank FL	Pulp Carrier	70,000 dwt x 1	Cosco Dalian (CHN)	2023-2024		177-179 mos TC @ $16.9k pd to Cosco Shipping Specialized Carriers.
SPDB FL	Pulp Carrier	70,000 dwt x 1	Cosco Dalian (CHN)	2023-2024		177-179 mos TC @ $16.9k pd to Cosco Shipping Specialized Carriers.
TANKERS						
Thenamaris	LR2	115,000 dwt x 2	Hyundai Vietnam (VIET)	2025	62.5	Conventional fuel.
Utkilen	Chemicals	6,700 dwt x 4	Icdas (TRK)	2024	reg 33	LNG//biogas fuelled. Methanol + ammonia ready.
CONTAINERS / RO-RO / REEFER / PLC						
Doun Kisen	Containership	23,000 TEU x 2	Imabari (JPN)	2025	reg 260	LNG capable.

Nissen Kaiun	Containership	23,000 TEU x 1	Imabari (JPN)	2025	reg 260	LNG capable.
Shoei Kisen Kaisha	Containership	23,000 TEU x 1	Imabari (JPN)	2025	reg 260	LNG capable.
MSC	Containership	8,000 TEU x 4	K Shipbuilding (KRS)	2024-2025	130	LNG dual fuel.
CMA CGM	Containership	7,900 TEU x 6	Hyundai Samho (KRS)	2025	124	Methanol fueled.
Seatrade	Containership	1,800 TEU x 4	Huanghai (CHN)	2023		High reefer.
Ningbo Ocean Shipping	Containership	710 TEU x 4	Taizhou Wuzhou (CHN)	2024		
GAS (LNG / LPG / LAG / CO2)						
H-Line <> Pan Ocean <> SK Shipping	LNG	174,000 cbm x 4	Daewoo (KRS)	2024-2025	214.5	
Maran Gas	LNG	174,000 cbm +2	Daewoo (KRS)	2026	233.7	ME-GI. High spec.
Knutsen OAS	LNG	174,000 cbm x 2	Hyundai HI (KRS)	2025	214.8	For Qatar LNG Project

Recycling Prices (US$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	620/630	620/630	620/630	310/320
Dry Cargo/Bulk/Tween/Gen Cargo	600/620	600/620	600/620	300/310

Newbuild and Second Hand Benchmark Values *($ million)*

Historical Average Values *($ million)*

Vessel Type	New Building	5 Year Old Vessel (Built 2017)	10 Year Old Vessel (Built 2012)	10 Year Old Vessel~ (10 Years Average)	% Difference Present Vs Historical
Tankers					
VLCC	118	77	52	45.0	15.5%
SUEZMAX	80	52	37.5	32.1	16.9%
AFRAMAX	62	49	32.5	23.7	37.0%
MR	42.5	33.5	25	17.4	43.3%
Bulkers					
CAPESIZE	63.5^	53 eco	37	23.2	59.3%
KAMSARMAX	37^	38	29	15.8	83.7%
ULTRAMAX / SUPRAMAX	35^	34.5	23.5	14.3	63.9%
HANDYSIZE	31^	28.75	23	11.0	108.7%
^ = Chinese price (otherwise based upon Japanese / Korean country of build) *~ = Basis standard contemporaneous DWT/spec for each type.*				*~ = Basis standard contemporaneous DWT/spec for each type.*	

This report has been produced for general information and is not a replacement for specific advice. While the market information is believed to be reasonably accurate, it is by its nature subject to limited audits and validations. No

CJC Market News

Campbell Johnston Clark (CJC) is a medium-sized international law firm advising on all aspects of the shipping sector, from ship finance to dry shipping and comprehensive casualty handling, and all that happens in between. Today, we have offices in London, Newcastle, Singapore and Miami.

UN Crowdfunds for Salvage Costs in Anticipation of Environmental Disaster

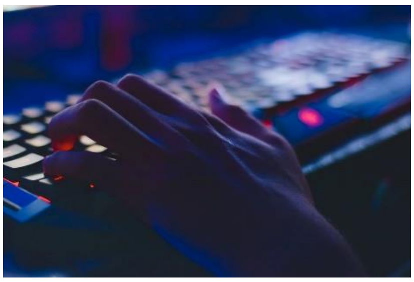
Following the mooring of the SFO Safer, 30 miles off Hodeida, Yemen's Red Sea port city, the UN appeals to the public to help raise $20m as an attempt to avert what has been deemed as major environmental, humanitarian, and economic catastrophe.

The money will go towards offloading more than 1.14m barrels of oil that has been sitting in this decaying ship for 6 years because of an impasse between Houthi groups and Saudi Arabian-backed government. If this operation is not undertaken soon, this ticking time-bomb could result in an oil spill four times larger than the Exxon Valdez disaster 1989, which would make it the 5th largest oil spill from a tanker in history.

Ultimately, the $20m target needed to initiate the salvage operation is relevantly small in comparison to the potential $20bn clean-up cost, the 25 years it would take for fish stocks to recover, the inability to access Yemen's essential port to bring in food, fuel and life supplies, the environmental impact across the Red Sea and the disruption to shipping through the Bab al-Mandab Strait to the Red Sea. Therefore, to bridge the funding gap and to start emergency operations, the UN has begun to request for contributions from members of the public to raise $5m by 30th of June.

Please see the following link for donation:
https://fundraise.unfoundation.org/give/412602/#!/donation/checkout

15,000 Sheep Drown in Sudan Port



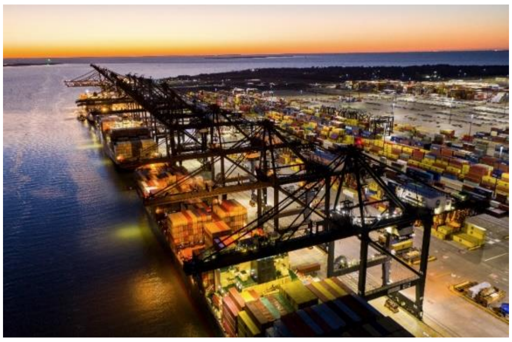
The A ship carrying thousands of sheep sank on Sunday 12th June in Sudan's Red Sea port of Suakin. The livestock vessel was carrying 15,800 sheep (6,000 more than it was able to hold) and was exporting the animals from Sudan to Saudi Arabia. The total value of the lost livestock is estimated to be around 14 Saudi riyals ($3.7m).

The ship took several hours to sink near the harbour exit, however only 700 sheep were saved and most of the animals on board drowned.

"The ship, Badr 1, sank during the early hours of Sunday morning… The sunken ship will affect the port's operation…It will also likely have an environmental impact due to the death of the large number of animals carried by the ship," a senior Sudanese port official said.

Campaigners are now renewing their calls for an end to UK live exports. This latest incident in Suakin happened just a few days before the annual *Ban Live Exports: International Awareness Day* (14th June), in which supporters from a range of organisations unite to campaign for a ban. The date of 14th June was chosen due to a similar incident in 2015, when, on that date, 13,000 sheep died during a sea journey from Romania to Somalia.

Allseas Global Logistics Launches New British Shipping Line



Freight forwarder Allseas Global Logistics (AGL) this week celebrated the launch of its own shipping company "Allseas Shipping Company", calling it the first British registered shipping line to be launched in 40 years.

The shipping line will specialize in import from Bangladesh to the UK and Europe, running direct routes to greatly reduce transit times. Import/export services from China to the UK and Europe are also currently offered by the newly formed shipping firm; with new service routes which include Genoa, Valencia, East India, Vietnam, and Cambodia reportedly in the works. The company also announced it will be offering transpacific routes to the United States and Canada in the near future.

The new venture kicked off in March of this year with a long-term charter of a 19-year-old, 2000 TEU container ship. The 188 meter vessel was rechristened the *Allseas Pioneer*, formerly sailing as the *Valdivia*. Managing director of the Allseas Group, Darren Wright said "*the* Allseas Pioneer *is the first in a series of six of our own branded container vessels, with an investment of over $150 million. Such is the commitment we have to the new company and the customers using it to steady their supply chains*."

The news comes on the back of AGL reporting it was paying some of the highest rates in the industry to gain stronger control over shipments after it began to charter ships almost a year ago. According to Allseas Global Logistics, launching the new shipping line was a natural step for the logistics firm. The shipping line is an opportunity to combine the company's logistics and chartering experience with the shipping agency experience of DKT Allseas, a sister company of Allseas Global.

Allseas joins a host of companies which have started their own shipping lines in response to supply chain problems created by the pandemic. Among them are Lidl, Amazon, FedEx, and fellow logistics firm Schneider National.

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