

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



*With over 125 years of expertise Gibson Shipbrokers is a leading provider of Sale & Purchase, Newbuildings, Recycling and Ship Valuation services.
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Dry Cargo – Bulk Buys

While the volume of dry sales has taken a bit of a siesta this week there has been another big fleet grab following on from Louis Dreyfus' exit from the dry sector in late July with the sale of nine handysize to supramax bulkers (see sales table) to JP Morgan/MUR Shipping, in a deal estimated at an aggregate price of US\$304m. This week's headline deal involves a US\$220m cash and US\$110m equivalent shares structured takeover of nine eco **STH** prefix ultramax built 2015 – 2018 (see sales table) from Sea Trade Holdings to Diana Shipping, all for delivery in the fourth quarter this year. There is some scrutiny of the value of the deal on the share price side, given the high US\$36.66m average vessel price, but one also cannot disregard the added benefit of securing a ready-made fleet of high quality modern Japanese built ships. For broad context, the sister spec "**GOLDEN CATHRINE**" + "**GOLDEN CECILIE**" (60,263 dwt/blt 2015 JMU Kure) were sold this time last month to an undisclosed Chinese buyer for US\$31.5m.

Tankers – Aframax Ascendance

The march of aframax values seems to have stepped up a pace this week, as the "**STRIDE**" (105,369 dwt/blt 2009 Sumitomo) is being reported sold for a lofty price of between US\$32-32.5m for prompt delivery in Cont/Med range, in contrast to the recent sale of the same aged Sumitomo built "**STAVANGER FALCON**" (105,419 dwt/blt 2009 Sumitomo) for high US\$28m. Looking at coated LR2 cousins, rumours also suggest US\$36m has been tabled on the clean trading scrubber fitted "**ALPINE AMALIA**" (105,304 dwt/blt 2010 Hyundai) with a strong survey position having also just passed dry-docking in June.

Elsewhere, following last week's VLCC "**ALTAIR TRADER**" (311,110 dwt/blt 2005 Mitsui) sold at US\$36-36.5m with dry-docking due 9/2023, this week sees the same aged "**MARAN ANDROMEDA**" (320,473 dwt/blt 2005 Daewoo) going to Singaporean based interests for region US\$37m, albeit noting a scrubber fitted premium though slightly offset by a prompt dry-docking due in September.

Ridgebury is also understood to be following last week's ice 1A class scrubber fitted and special survey (SS) passed **"RIDGEBURY LINDY B"** (146,356 dwt/blt 2007 Universal) at US\$32-33m, with the year old scrubbered suezmax sale of ice 1A **"RIDGEBURY MARY SELENA"** (146,427 dwt/blt 2006 Universal), although no pricing has yet been reported. In addition, same owners have opted to cash in a trio of MRs (not BWTS fitted), namely the **"RIDGEBURY ALEXANDRA Z"**+ **"RIDGEBURY CINDY A"** + **"RIDGEBURY ROSEMARY E"** (50,200 dwt/blt 2009 SPP Sacheon) at a firm US\$22m apiece.

Newbuilding – Going Down... Or?

There's been a big drive in the shipping media about shipbuilding costs this week. As we have pointed out before, low commodity pricing will eventually feed through to yards' building costs and steel plate price relief is now benefitting prices. Chinese yards focusing on bulkers in particular have been able to pass these reductions on and some marginal relief at the main yards on tankers also. However, we would caution against expectations of dramatic reductions for tankers as yards still face inflationary pressures affecting labour, machinery and financing (higher interest rate) costs. None of the major tanker yards are pressured to take orders either and remain well covered into 2025. We therefore may see some continued marginal price relief and then yards may hold to "wait and see" how the markets play out. It is notable that investment/reinvestment in the tanker market now is practically very difficult as there remains few if any modern second-hand vessels for sale (where there is, pricing will be very high) and historically this has provided newbuilding demand stimulus. Owners therefore digging in for a "wait and see" strategy on newbuildings prices may not be rewarded here.

Recycling – Desperate Demo

The markets are all extremely quiet this summer holiday season as a complete lack of available tonnage and softening ship scrap price levels all create the perfect recipe for a desperate recycling market. With asset values of tankers going from strength to strength there is not much chance of many quality tankers coming for sale as scrap candidates any time soon (and so too for the dry market), so instead cash buyers will just have to sit back and wait and watch the markets in the hope that freight rates will soften to a degree where some owners will once again consider scrapping their old ladies. Unfortunately for the cash buyers and end users, owners are just making too much money at present and are simply not willing to entertain the thought of scrapping. Bangladeshi breakers meanwhile continue to grapple with the tight L/C restrictions imposed on US\$ causing them huge difficulties, which will impact their ability on purchasing tonnage. Overall yards throughout the Indian Sub-Continent are being starved of tonnage, and so it seems summer will continue to be quiet for the industry with no signs yet on when things may change.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
PRINCESS JASMINE	73,867	1997	Sumitomo (JPN)	Undisclosed buyer	6	SS due 7/22. No BWTS.
STH MONTREAL + STH OSLO STH ATHENS + "LONDON + 'CHIBA STH NEW YORK + 'KURE + 'SYDNEY + 'TOKYO	60,400 60,400 60,300	both 2018 both 2015 + 2017 2015 + all 2016	Mitsui (JPN) Mitsui (JPN) JMU Kure (JPN)	Diana Shipping	330 en bloc (220 cash / 110 shares)	Eco. Dely 4q22.



LA CHARMAIS LA CHESNAIS + LA PARTENAIS LA CHAMBORDAIS + LA SAUTERNAIS LA SAUTERNAIS + LA SILLONNAIS LA BRIANTAIS + LA RICHARDAIS LA FRESNAIS + LA LOIRAIS	58,110 40,650 40,481 40,481 40,981 39,900	2012 both 2015 both 2015 both 2015 2013 + 2014 both 2018	Tusneishi Zhoushan (CHN) Yangfan (CHN) Tianjin Xingang (CHN) Tianjin Xingang (CHN) Tianjin Xingang (CHN) Jiangmen Nanyang (CHN) Huatai Heavy (CHN)	JP Morgan & MUR Shipping (Joint venture)	304 en bloc	Sold in 7/22.
NATHAN BRANDON	56,497	2013	Imabari (JPN)	Densay Shipping & Trading	mid-high 18	SS due 8/23. BWTS fitted. Already renamed.
PAXI	28,734	2010	Shikoku (JPN)	Undisclose d buyer	high 15	Open hatch. DD due 6/23. BWTS fitted.
SEBAT	18,315	1997		Egyptian buyer	6.7	SS psd 4/22.
TANKERS						
MARAN ANDROMEDA	320,473	2005	Daewoo (KRS)	Singapore an buyer	reg 37	DD due 9/22. BWTS+Scrubber fitted.
RIDGEBURY MARY SELINA	146,427	2006	Universal Ariake (JPN)	Undisclose d buyer		Ice 1A. Scrubber fitted. SS psd 9/21.
STRIDE	105,369	2009	Hyundai Ulsan (KRS)	Undisclose d buyer	32 -32.5	Ice 1C. SS due 5/24. BWTS fitted. Prompt dely Cont/Med.
RIDGEBURY ALEXANDRA Z + R' CINDY A + R' ROSEMARY E	50,200	all 2009	SPP Sacheon (KRS)	Turkish buyer	22 each	Deepwell. Dely 9/22. No BWTS.
ESTHER	37,387	2005	Hyundai Mipo (KRS)	Greek buyer	11.5	Ice 1A. Deepwell. DD due 10/23. Dely 12/22. No BWTS.
GENERAL CARGO / MULTI-PURPOSE						
Y. DADAYLI	7,694	2009	Xinhe (CHN)	Undisclose d buyer	7.5	DD psd 5/21. Container fitted. Gearless.
CONTAINERS / RO-RO / REEFER / PCC						
NORTHERN DECISION	42,011	2008	Shanghai Shipyards (CHN)	MSC	44	3534 TEU. Gearless. SS due 8/23.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Ciner Shipping	Handysize	40,000 dwt x 4	Jiangmen Nanyang (CHN)	2024	sub 30	Open hatch. EEDI 3. Contracted 5/22.
TANKERS						
Xingtong Shipping	Chemicals	7,490 dwt x 1	CMJL Yangzhou (CHN)	2023	19	Stainless Steel.
CONTAINERS / RO-RO / REEFER / PLC						
CMA CGM	Containers hip	15,000 TEU x 6	Dalian (CHN)	2025-2026	175	Methanol ready.
GAS (LNG / LPG / LAG / CO2)						



NYK + K Line + MISC + China LNG Shipping	LNG	174,000 cbm x 7	Hyundai HI (KRS)	2025-2026		X-DF 2.1 M/E. iCER. Air Lubrication. Against TC to QatarEnergy.
Tianjin Southwest	LPG	99,000 cbm x 1+1	Jiangnan (CHN) CMJL	2025		Ethane dual fuel.
Nippon Yusen Kaisha	LPG	86,700 cbm x 1	Yangzhou (CHN)	2025		LPG capable.

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
CAPE SIZE						
SUNLIGHT	2000 / Japan	172,572	21,015	India	547	

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC Dry	565/575	555/565	550/560	250/260
Cargo/Bulk/Tween/Gen Cargo	550/560	545/555	540/550	240/250

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	119	84	58	45.2	28.2%
SUEZMAX	80	58	42.5	32.3	31.7%
AFRAMAX	65	53.5	39	24.0	62.6%
MR	43.5	37	26.5	17.6	50.7%
Bulkers					
CAPE SIZE	64.5^	52.5 eco	35	23.4	49.3%
KAMSARMAX	37.5^	36	26.5	16.0	65.4%
ULTRAMAX / SUPRAMAX	35^	33	23.75	13.9	70.9%
HANDYSIZE	30.5^	28.5	21	11.2	87.0%
				~ = Basis standard contemporaneous DWT/spec for each type.	
^ = Chinese price (otherwise based upon Japanese / Korean country of build)					
~ = Basis standard contemporaneous DWT/spec for each type.					

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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.

Rhine Water Levels Continue to Fall Amid Heatwave



Water levels on the Rhine in Germany fell again during the warm dry weather last week and cargo ships cannot sail fully loaded. The reference waterline level at the chokepoint of Kaub south of Koblenz was at 48 centimetres on Wednesday 3 August, down 4 centimetres on the day. Vessels need about 1.5 metres of reference waterline to sail fully loaded.

Shallow water after the summer heat-wave has hampered shipping on the entire river in Germany since July, along with other European waterways.

Freight shipping on the river continues, but with vessels sometimes forced to sail three-quarters empty. In addition, the number of vessels still capable of sailing in the shallow water, especially around Kaub, has declined which has further increased transport costs for cargo owners.

Spot prices for transport in a liquid tanker barge from Rotterdam to Karlsruhe south of Kaub rose to about 110 euros a tonne on Wednesday, up 16 euros on Tuesday and up from only around 20 euros a tonne in June before water levels fell, traders said.

Navigation authorities do not close the river at times of low water, leaving it to vessel operators to decide when to stop. Shipping capacity is already tight because of increased demand after Germany's move to increase coal-fired electricity generation as it braces for reduced gas supplies from Russia.

MPA Completes Investigations into Bunker Fuel Contamination in Singapore Port



On 14 March 2022, the Maritime and Port Authority of Singapore (MPA) was informed that a number of vessels had been supplied with off-specification HSFO containing high concentration levels of Chlorinated Organic Compounds (COC), particularly 1, 2-Dichloroethane, Tetrachloroethylene.

An investigation by the MPA into the source of the affected HSFO fuel, which was supplied by Glencore Singapore Pte Ltd (Glencore) and PetroChina International (Singapore)

Pte Ltd (PetroChina), subsequently tracked down the source of the problem to fuel that was loaded on a tanker at Khor Fakkhan, UAE. It is reported that forensic fingerprinting analysis of the samples taken

from the tanker matched with samples drawn from vessels that had been supplied with HSFO from both Glencore and PetroChina. Follow-up investigations by the MPA showed that Glencore or PetroChina had tested the fuel before supply based on ISO 8217 and found that there were no evidence that Glencore or PetroChina had intentionally contaminated the fuel.

However, the MPA also found that Glencore had contravened the MPA's Bunkering Licence Terms and Conditions by continuing to supply bunkers blended with the fuel purchased that was contaminated with the COC to vessels in the Port of Singapore from 22 March 2022 to 1 April 2022 even though testing between 21 and 23 March 2022 showed high concentrations of COC.

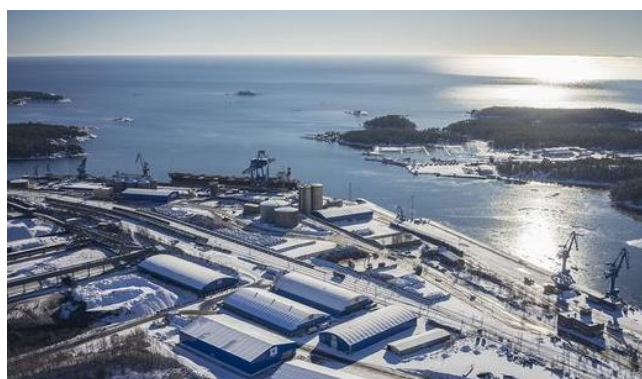
Accordingly, MPA has suspended Glencore's Bunkering Licence for two months from 18 August 2022. Out of the 24 vessels that were supplied with the contaminated fuel by Glencore from 22 March to 1 April 2022, it is reported that at least 3 vessels have reported issues with fuel pumps and engines.

No action has been taken against PetroChina as investigations revealed that delivery of the contaminated fuel was stopped promptly by 19 March 2022 once PetroChina received its own test results. MPA notes that COCs are not commonly present in bunker fuels, especially at such elevated levels.

MPA adopts fuel assurance measures which comprise the Bunker Quality Inspection Systems and the Intensified Bunker Quality Checks. It is reported by MPA that reportedly, 1,300 bunkers are tested annually under these programmes. MPA have now included COC to be tested under both measures.

MPA also reminds licensees to adhere strictly to the terms and conditions of their licences. Any irregularities and contravention under the terms and conditions of their bunker supplier licence should be promptly reported to the MPA.

New LNG terminal to be Built in Swedish Port of Oxelösund



It was announced this week that a Memorandum of Understanding has been signed between Avenir LNG and Oxelösunds Hamn AB to build and develop an LNG/BioLNG Terminal in the Swedish port of Oxelösund. The plan is for Oxelösund to become a future energy hub for local industry and for it to provide bunkering services as well. The Terminal is adjacent to key industrial consumers and has good connectivity to roads and rail which will enable access to both new and existing demand centres in Sweden.

All environmental and construction permits required to build the LNG/BioLNG Terminal have already been obtained and construction of the terminal will begin in due course. The new Terminal will have a single full-containment atmospheric tank, and natural gas will be delivered via regasification to a local pipeline network. LNG, on the other hand, will be delivered via two truck loading bays for wider distribution beyond the port.

Commenting on the deal, Peter Mackey, the CEO of Avenir LNG, said: "We are pleased to announce this MOU with the Port of Oxelösund, this project offers a key strategic growth opportunity for Avenir and advances our stated strategy of becoming the leading small scale LNG supplier. The challenges facing the European Gas markets have reinforced Avenir's commitment to investing in critical

infrastructure and supply chains which enhance energy security in regions of stranded demand and further enable the switching to cleaner, greener and more sustainable forms of energy."

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