

**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.*  
+44(0) 20 7667 1000 - [sap@eagibson.co.uk](mailto:sap@eagibson.co.uk) - [www.gibsons.co.uk](http://www.gibsons.co.uk)

### Tankers – Ice Ice Baby!

Spot earnings have been a little softer in the crude sector this week, perhaps with an increased number of owners wanting to fix their ships forward in anticipation of the Christmas holidays. Prices are very strong and we saw a number of ships at the tail end of last week achieving record numbers; the suezmax **"MIKE R"** (146,427 dwt/built 2006 Universal, Japan) reportedly sold for a whopping US\$45m. The vessel has ice class 1A (and is scrubber fitted), which no doubt adds a big premium, but when you consider she was bought by Westport in August this year for US\$31m, that has got to be one of the best profit takings we have seen ever over a four month period. In comparison with non-ice class tonnage Seven Islands have sold the one year older non-ice class suezmax **"CONCORD"** (159,155 dwt/built 2005 Hyundai Ulsan, Korea) for US\$33m - thats quite a differential, even without a scrubber.

These values are incredibly tempting for owners with tonnage in the older sector as we see mostly teenage tonnage changing hands. Thenamaris has been active and sold three of their older girls, a VLCC, **"SEAKING"** (318,669 dwt/built 2005 HY ULSAN) for a good look US\$51.5m, their aframax **"SEATRUST"** (114,453 dwt/built 2004 Samsung, Korea) for over US\$34m (they bought her for US\$11.5m in June 2018!!) and the MR2, **"SEABREEZE"** (53,714 dwt/built 2007 Shin Kurushima, Japan) for US\$19.6m.

### Dry Cargo – Christmas Offers

Recently it has become apparent that many sellers are putting on deadlines for offers given that they can be based on one inspection report and hence all buyers will be singing from the same hymn sheet. Given the paucity of sales being reported it would appear that those vessels with passed offer due dates have not been sold, for example the **"GILLINGHAM"** (58,000 dwt/built 2010 Yangzhou Dayang, China) invited offers on the 22nd October 2022 didn't receive any offers that attracted owners' attention and same applies for the **"IGNAZIO"** (58,125 dwt/built 2010 Tsuneishi Cebu, Philippines). No

information is emerging on the capes **“WISDOM OF THE SEA 1 & 2”** (180,144 dwt/built 2011), which invited offers yesterday, but given the short time spell there is still a chance a sale might be in the offing. Going forward there are numerous vessels that have deadlines approaching and it will be interesting to see what sales have concluded if at all.

Clearly the uncertainty in the dry cargo freight market has tempered demand with many buyers taking a wait and see attitude. Present market indicators would certainly suggest there is potential for further erosion in values, but there are various factors looming that could turn the market in a short space of time. For instance the lack of newbuilding deliveries, increased voyage times due to emission regulations and the potential for China to open up and consequently increase their demand for bulk commodities are all issues that could have a profound effect.

### Newbuilding – Clean Christmas

Further LR2 and MR discussions/orders continue to emerge as newbuilding demand gains momentum. With spot rates continuing to remain at high levels for suezmax and VLCC we may see newbuilding demand pick up here as there is also a chronic lack of modern second- hand tonnage for sale in these sectors. We see suezmax as a particularly interesting sector for investment now with negative fleet growth expected next year as a result of a very low orderbook as well as a good proportion of the fleet aged 15 years or more. This favourable fleet supply situation is further polished by the notable lack of fresh slots for suezmax (conversely 7-8 yards offering LR2) with 2025 delivery, so a newbuilding order placed today may well turn out to be a good bet.

Confidence is building in the bulker market for a rebound once China eventually reopens. There has been notable activity in the second-hand market and we would expect this demand to spill over into newbuildings in due course. Buyers need to engage yards to get the best pricing rather than wait for it to be offered. There is some marginal flexibility on the yards' side and so it's a case of "fortune favours the bold".

### Recycling – Bah Humbug!

2022 is turning out to be one of the quietest years we have witnessed in recent times as activity for yet another week seems non-existent. With just weeks to go until we see the year out we can only hope for better things to happen for the recycling industry in Q1 next year as there seems to be no sign of Christmas presents being dished out this December. Owners seem content to hold onto their cash cows whilst second-hand enquiries still flood the market looking for vintage tonnage, which under normal circumstances (2022 has been anything but normal) these old ladies would normally be looking for a beach in their old age. Meanwhile, price levels that are on offer, but which stand very little chance of securing any demo tonnage, have softened yet further as Sub-Cont markets continue to face all sorts of challenges ranging from relentless L/C issues from Bangladesh to falling steel plate prices. A cloud of negative sentiments generally hangs over the industry but some stability in price levels would be one positive that might help.

### Gibson Sale & Purchase Market Report

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
LOWLANDS COMFORT	81,845	2016	Tsuneishi Cebu (PHI)	Blumenthal	xs 26	DD due 2/24. BWTS fitted.2/23 cancelling.
FORTUNE LADY	74,694	1998	N K K (JPN)	Chinese buyer	6	SS due 3/23. BWTS fitted.



TAURUS HONOR	56,758	2009	Jiangsu Hantong (CHN)	Undisclosed buyer	14.8	DD due 11/24. BWTS fitted.
WORLDERA 5	52,292	2004	Tsuneishi Cebu (PHI)	Chinese buyer	low 10	DD psd 6/22. BWTS fitted.
GLORIOUS LOTUS	49,602	2007	Tsuneishi (JPN)	Undisclosed buyer	13	Woodchip carrier. SS psd 7/22. BWTS fitted.
TS BRAVO	38,896	2015	Shanhaiguan (CHN)	Navision	16.8	DD due 8/23. BWTS fitted. Dely 1/23.
MELINA	28,418	2009	Imabari (JPN)	Undisclosed buyer	11	DD psd 11/22. BWTS fitted.
<b>TANKERS</b>						
SEAKING	318,669	2005	Hyundai Ulsan (KRS)	Undisclosed buyer	51.5	DD due 4/23. BWTS+Scrubber fitted.
CONCORD	159,155	2005	Hyundai Ulsan (KRS)	Undisclosed buyer	33	DD due 1/24. BWTS fitted. Dely 1q23.
NAVIGA	150,841	1998	N K K (JPN)	Chinese buyer	18.7	DD due 1/23.
GRENA KNUSTEN	148,553	2003	Samsung (KRS)	Undisclosed buyer	30	SS due 12/23. Shuttle. DP2.
MIKE R	146,427	2006	Universal Tsu (JPN)	Undisclosed buyer	45	Ice 1A. BWTS+Scrubber fitted. Cap 1.
NORDBAY	116,104	2007	Universal Tsu (JPN)	Undisclosed buyer	reg 34.5	DD due 11/24. BWTS fitted. Inc Scrubber on order.
SEATRUST	114,453	2004	Samsung (KRS)	Undisclosed buyer	xs 34	Ice 1C. SS due 7/24. BWTS fitted.
SEALOYALTY	106,468	2005	Universal Ariake (JPN)	Far Eastern buyer	30	DD due 7/23.
S PUMA	105,034	2005	SWS (CHN)	Middle Eastern buyer	23.5	SS due 4/25. BWTS fitted. Cap 1.
FREIGHT MARGIE	70,313	2004	Daewoo (KRS)	Beks	reg 14.5	Deepwell. SS due 6/24.
SEABREEZE	53,714	2007	Shin Kurushima (JPN)	Undisclosed buyer	19.6	Pump-room. SS psd 7/22. BWTS fitted.
NORD SKATE+ NORD STINGRAY	51,300	both 2009	STX Jinhae (KRS)	Undisclosed buyer	26.5 each	Deepwell. DD due 1+5/24. BWTS+Scrubber fitted.
NORD MINUTE + NORD MAGIC	49,999	both 2009	Hyundai Mipo (KRS)	Undisclosed buyer	25 each	Deepwell. SS due 3+9/24. BWTS fitted.
CENTENNIAL MISUMI	47,186	2008	Onomichi (JPN)	Undisclosed buyer	21.5-22	Pump-room. SS due 9/23. BWTS fitted.
CELSIUS ROSKILDE + CELSIUS RIGA	46,150	2009+2010	Hyundai Mipo (KRS)	US buyer (for For Military Sea Lift)	55 en bloc	Deepwell. SS+DD due 8/24 + DD due 8/23. BWTS fitted. 30 days subs.
CELSIUS ROME	45,996	2009	Shin Kurushima (JPN)	Undisclosed buyer	xs 23.5	Pump-room. SS psd 4/22. BWTS fitted.
SKY + STYLE	37,900	both 2008	Hyundai Mipo (KRS)	Undisclosed buyer	16.5 each	Ice 1A. Deepwell Dirty trading. SS+BWTS due 12/22 + 1/23.
STAR N	37,836	2009	Hyundai Mipo (KRS)	Undisclosed buyer	18.1	Deeepwell. DD due 9/24. BWTS fitted.
PETROLIMEX 10	37,256	2003	Shina (KRS)	Viet My Petro	10	Deepwell. SS+BWTS due 1/23.
ONSAN CHEMI	12,498	2001	Fukuoka (JPN)	Undisclosed buyer	6.8	SUS 316L. DD due 6/24. BWTS fitted. Sold in October.
DH DILIGENCEY	8,716	2019	Nantong Tongbao (CHN)	Chinese buyer	20*	*Auction. Duplex 2205. BWTS fitted.

JIN FU XING 9	4,999	2008	Zhejiang Zhenyu (CHN)	Undisclosed buyer	4	Asphalt. SS due 8/23. Ice B.
<b>GAS (LNG / LPG / LAG / CO2)</b>						
RONALD N + KAROLINE N	54,004	both 2009	Hyundai Ulsan (KRS)	Undisclosed buyer	reg 50 each	SS due 8/23 + 2/24. Inc. TC to Trafigura to 3+4/23.

#### NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>TANKERS</b>						
Capital Ship Management	LR2	115,800 dwt x 2	New Times (CHN)	2024		Conventional fuel.
Eastern Pacific Shipping	MR	50,000 dwt x 2	Hyundai Vinashin (VIET)	2025	43	
Shanghai Junzheng Logistics	Chemicals	25,900 dwt x 2	CM Jinling Yangzhou (CHN)	2024-2025		Stainless steel. Tier III. EEDI 3.
Terntank	Prod/Chemicals	15,000 dwt x 2+2	CM Jinling Yangzhou (CHN)	2025		GO/Bio/methanol. Sails ready.
<b>GAS (LNG / LPG / LAG / CO2)</b>						
Celsius Shipping	LNG	180,000 cbm x 1	Samsung (KRS)	2026		EEDI 3. Against long TC.
Iino	VLEC	99,000 cbm x 2	Hyundai HI (KRS)	2025-2026	min. 197	Against long TC to Ineos.

#### Recycling Prices (US\$/LWT)

	India	Pakistan	Bangladesh	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC Dry	520/535	515/530	515/535	250/260
Cargo/Bulk/Tween/Gen Cargo	510/520	505/515	500/515	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
<b>Tankers</b>					
VLCC	120	90	67	46.1	45.4%
Suezmax	80	62.5	46	32.8	40.4%
Aframax	63	58	43	24.8	73.6%
MR	44	40	30	18.1	65.8%
<b>Bulkers</b>					
Capesize	61.5^	43 (eco)	28	23.8	17.6%
Kamsarmax	34^	30	22	16.3	35.0%

Ultramax / Supramax	32 <sup>^</sup>	28	19	14.1	34.9%
Handysize	28.5 <sup>^</sup>	24	16.5	11.5	44.1%
<sup>^</sup> = Chinese price (otherwise based upon Japanese / Korean country of build) <sup>~</sup> = Basis standard contemporaneous DWT/spec for each type.				<sup>~</sup> = Basis standard contemporaneous DWT/spec for each type.	

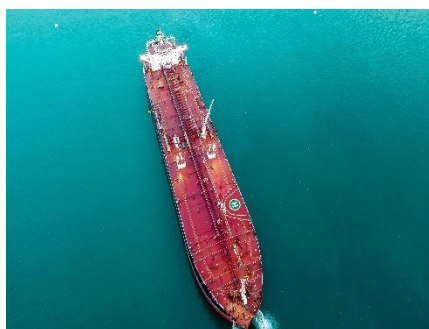
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## CJC Market News



*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.*

### Terntank Works Towards Fossil-Free Operations



Swedish operator Terntank has ordered two new 15,000 dwt tankers along with the option for two more, each with a hybrid power plant alongside methanol and wind assisted readiness.

The vessels which will be built by China Merchants Jingling Shipyard will be delivered with a power plant that uses MGO or Biofuel whilst also being ready for methanol usage. In a press release, Terntank stated "In addition to the 40 percent of CO2 reductions, we made on previous vessels the wind assistance will further reduce the emissions by 8 percent, and with methanol's

low-carbon and potential in decarbonization, we accelerate our pathway to net zero."

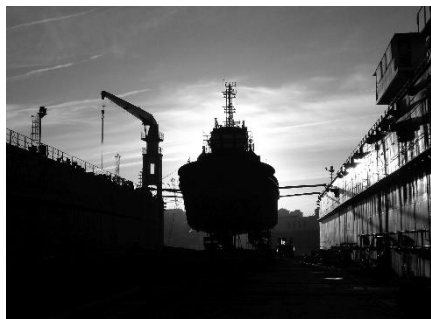
The newbuild vessels will be capable of operating on green fuels such as methanol. The company has stated that the new vessels will be developed from existing experience with new innovative measures to reduce environmental impact. As the new CII measures enter into force, the need for green fuels has never been greater as the industry grapples to lower carbon emissions.

"With these methanol and wind assistance-ready vessels, we are taking a big step forward in our journey as the forerunner in environmentally efficient and safe shipping," said Tryggve Möller, Vice Chairman of Terntank. "With methanol's low-carbon and potential in decarbonization, we are accelerating our pathway to net zero.

Terntank already has two vessels equipped with hybrid solution which have been operational for a year which have played a vital role in minimising pollution near populated areas near ports.

### Elefsis Shipyard to be Taken Over by Onex Group





A new era began for the historic shipyards of Elefsis when Panagiotis Xenokostas, President and CEO of Onex Elefsis Shipyards and Industries SA and Onex Elefsis Naval and Maritime SA, and the Greek Minister of Development and Investments, Adonis Georgiadis signed an agreement for the reorganization and transfer of Elefsis Shipyards last week, pending a final court approval. The terms of the agreement include an immediate investment of USD 100 million, a guarantee for the 600 jobs, full reimbursement (100%) of outstanding back pay to workers amounting to 13.4 million euros, and the creation of 1,400 new job positions within the next 3 years. The investment is expected

to add 1.1 billion euros in revenue to the Greek state during the coming 25 years. Additionally, the reopening of the shipyards is estimated to boost local economy as well as the Greek industry with over 1.6 billion euros in the next 25 years.

Panagiotis Xenokostas said "Elefsis is a huge shipyard, with a great footprint in the entire area." He also thanked the workers for their contribution to the success of this investment as they had unanimously supported the same.

### **Danish Court finds Nigerian man Guilty on Piracy Related Charges**



A Nigerian man was found guilty of endangering the lives of military personnel by a Danish court on Monday. However, the 31-year-old was spared jail time as the court ruled that his role in the incident was unclear. The court found there were too many mitigating circumstances present to grant the 15-month prison term sought by the prosecution. The decision has since been appealed.

The trial follows an incident which took place on 25 November 2021, during which Danish Navy personnel observed a vessel approaching commercial ships near the coast of Nigeria. The vessel had nine men onboard, along with "equipment connected to piracy, including ladders". Navy personnel engaged the vessel, which led to a firefight where five of the suspected pirates were killed. The remaining four were taken into custody by the Danish Navy, one of which had suffered serious injuries.

The three uninjured detainees were later released following a Danish government decision not to prosecute. Due to health and safety concerns, the Navy could not abandon the injured detainee and returned him to Denmark where he has recently faced trial. As a result of the incident, the man required amputation of one of his legs.

Though global piracy and armed robbery figures are down for 2022, the Gulf of Guinea remains a hotspot for such incidents. The International Maritime Bureau reports 13 incidents in the region over the last nine months.

For more information, please contact:

James Clayton  
Tel: +44 (0) 207 855 9669  
Email: [jamesc@CJCLaw.com](mailto:jamesc@CJCLaw.com)  
[www.cjclaw.com](http://www.cjclaw.com)



**Campbell Johnston Clark**



Campbell Johnston Clark  
**CJC EXCHANGE**

Gibson Shipbrokers  
Tel: +44(0) 20 7667 1000  
Email: [sap@eagibson.co.uk](mailto:sap@eagibson.co.uk)  
[www.gibsons.co.uk](http://www.gibsons.co.uk)

