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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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Tankers – Appreciating with Age

While tanker assets have seen steady appreciation in recent months, many transactions have involved prized elements such as Ice 1A and scrubbers, often making sales trickier to dissect. However, vintage VLCCs present a more transparent segment, with surveys usually pending as standard and hence the progression of value is more clear cut. Rewind to late August and 2002 built ships were changing hands at around USD 31 mill, then within a month the "**HILWAH**" (316,808 dwt/blt 2022 Hyundai) upped the ante to US\$37.5m. So, jumping to the present we hear this week that the "**BRILLIANT JEWEL**" (305,178 dwt/blt 2002 Daewoo) has changed hands for around US\$40m, albeit apparently on a more private basis than the more hotly followed sale of the year younger "**SHIBLAH**" (316,476 dwt/blt 2003 Hyundai), which has seen fierce bidding and is now believed sold in the US\$42-43m range – in a week that has also seen a rare sale of a ULCC, the "**EUROPE**" (441,561 dwt/blt 2002 Daewoo) at the same price, believed to going to a storage buyer.

No official announcement has been forthcoming on rumours on last week's Chinese built LR2 resale pair sold at US\$71m apiece, but with modern tonnage hard to come by it's reported that Eastern Pacific Shipping has made an opportunistic move to pick up cancelled MR tanker berths, foregone by Eurogreen Maritime, taking four firm units and two options from New Times with main deliveries within 2025 at US\$42m each.

Dry Cargo – Japan Attraction

With little inspiration being provided by the dry freight markets it is little wonder the values remain relatively flat. The indices, although presenting respectable earnings, are showing no willingness to push on to more exciting highs. Hence there is no appreciation in values and in some cases we are seeing some depreciation. For instance, the "**NAVIOS ALDEBARAN**" (76,529 dwt/blt 2008 Imabari) invited offers this week and unfortunately the levels offered did not attract interest from the Japanese

owners and the vessel remains for sale and we can guide if of interest, as likely to be keenly priced. Similarly, we are hearing of two kamsarmax sales with the Japanese controlled vessel proving more competitive for the buyer. Namely the Norden controlled kmasarmax "**NORD GEMINI**" (81,870 dwt/blt 2017 Tsuneishi CebuI) has been sold to Greek buyers for high 30's, whereas the Japanese owned sister "**BULK HOLLAND**" (81,712 dwt/blt 2017 Tsuneishi Cebu) has been reportedly committed in the high 29's.

Also illustrating the attraction of purchasing Japanese owned tonnage is the sale of the ultramax "**VAN STAR**" (61,508 dwt/blt 2011 Imabari) at region US\$21.6m, which is less than what was achieved by Ultrana in their sale of same aged ultramax the "**ULTRA WOLLONGONG**" at US\$22.3m to Pacific Basin, which incidentally is their second purchase from these owners.

Newbuilding – More to come...

There has been more activity on resale tankers, which further benchmarks pricing and the current sentiment in the market. Activity is focused on LR2 and the newbuilding pricing remains realistically below resale levels. Negotiations are ongoing with the middle tier yards in Korea also for aframax and suezmax, so there is likely to be further orders emerging in our view. Again, a lack of modern second-hand tonnage for sale, handsome proceeds from vintage vessel sales and earnings from the good current market are providing incentives to place newbuilding orders. Some remain in limbo with regards to the best alternative fuel solution which, realistically, remains out of reach of today's market.

It is worth noting that the tanker fleet is also significantly behind other ship types (with the exception of bulkers) in the adoption alternative fuels. "Wait and see" is not a credible green strategy against this deficit. Owners may therefore need to modernise their fleet with conventional designs to demonstrate some effort here and to remove older, more polluting vessels from their fleet.

Bulker newbuilding remains quiet as yards have not adjusted pricing. However, we see some owners beginning to test the yards and now there are more 2024 slots available from a number of Chinese leasing backed deals failing.

Recycling – Happy Diwali!

The local steel markets in Bangladesh remains positive and quite firm as the end buyers are offering healthy price levels. However, cash buyers would need to take a certain risk to sell into Chittagong as the L/C issues continue to persist. It seems only small tonnages are heading there at the moment because of the L/C issue, but interestingly prices are much firmer for these smaller LWT units. Markets in Alang are also keeping up but with the INR weakening against the USD at an all-time low, the end buyers (and cash buyers) are wary of acquiring ships at firm levels. Pakistan continues to be sidelined by Alang and Bangladesh as local steel prices are not allowing ship-breakers to pay the kind of levels required to secure ships for Gadani. Meanwhile, the majority of the Recycling fraternity met in Dubai earlier this week for the Ship Recycling conference and the mood was light and fun! Unlike in previous years where the markets tend to jump up during the dates of this conference, things were relatively quite as the lack of tonnage continues. With Diwali celebrations now starting from the weekend, markets are likely to remain dull until at least the end of the month...

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						

ARETHOUSA	169,770	2001	Sasebo (JPN)	Greek buyer	15.1	DD due 7/24.
CMB CHARDONNAY	95,707	2012	Koyo (JPN)	Chinese buyer	21.5	SS due 11/22. BWTS novated.
JIN LANG + JIN MEI	93,250	both 2010	Jiangsu Newyangzi (CHN)	Undisclosed buyer	17.25 each	DD due 4/23.
LARA VENTURE	93,000	2011	Shanhaiguan (CHN)	Wah Kwong Shipping	reg 20.5	SS psd 11/21. BWTS fitted.
NORD GEMINI	81,870	2017	Tsuneishi Cebu (PHI)	Neda Maritime	30.7	SS psd 2/22. BWTS fitted.
BULK HOLLAND	81,712	2017	Tsuneishi Cebu (PHI)	Newport	29.7	SS psd 6/22. BWTS fitted.
ULTRA WOLLONGONG	61,684	2011	Oshima Zosen (JPN)	Pacific Basin	22.3	DD due 6/24.
VAN STAR	61,508	2011	Imabari (JPN)	Greek buyer	21.6	DD due 12/23. BWTS fitted.
FANOULA	56,560	2008	I H I (JPN)	Undisclosed buyer	15.5	SS due 4/23. BWTS fitted.
PACIFIC SELINA	49,052	1997	Oshima Zosen (JPN)	Undisclosed buyer	8.2-8.5	SS psd 3/22. BWTS fitted.
ROYAL HARMONY	37,238	2011	Saiki (JPN)	Undisclosed buyer	high 16	Open hatch. DD due 10/23. BWTS fitted.
OCEAN SATOKO	37,215	2011	Hyundai Mipo (KRS)	Undisclosed buyer	17	SS psd 12/21. BWTS fitted.
ORIENT MATE	32,470	2014	Korea Yanase Tongyeong (KRS)	Navigator	16.9	DD psd 2/22. BWTS+Scrubber fitted.
SINGAPORE SPIRIT	32,259	2002	Saiki (JPN)	Undisclosed buyer	12.5	Open hatch. SS psd 2/22. BWTS+logs fitted.
HIPPO SPIRIT	24,800	1996	Shin Kurushima (JPN)	Undisclosed buyer	6.2	Open hatch. DD due 4/23. Installing BTWS 11/22.
TAI FU	21,955	1994	Saiki (JPN)	Undisclosed buyer	4.5	SS psd 6/22. Logs+BWTS fitted,
TANKERS						
EUROPE	441,561	2002	Daewoo (KRS)	Storage buyer	42-43	SS due 11/22.
SHIBLAH	316,476	2003	Hyundai Ulsan (KRS)	Undisclosed buyer	42-43	SS due 3/23.
BRILLIANT JEWEL	305,178	2002	Daewoo (KRS)	Undisclosed buyer	reg 40	DD due 1/23.
SOLVIKEN	114,524	2007	Samsung (KRS)	Undisclosed buyer	32.5	Ice 1A. SS psd 2/22. BWTS fitted. Inc TC to 11/22-2/23 @ \$15k (50/50 share)
HAO YU	105,522	2005	Sumitomo (JPN)	Middle Eastern buyer	27	DD due /postponed 10/22. BWTS+Scrubber fitted.
BSL ELSA	51,747	2009	Hyundai Mipo (KRS)	Undisclosed buyer	22	Deepwell. SS due 6/24. BWTS fitted. Sub-market TC attached.



SWIFT OMAHA	46,087	2010	Hyundai Mipo (KRS)	Undisclosed buyer	25-25.5	Deepwell. DD due 3/24. BWTS fitted.
CELSIUS MIAMI	19,991	2005	Usuki (JPN)	Wilmar International	13.75	Stainless steel (SUS316). DD due 9/23. BWTS fitted.
MIS 3	3,842	2005	Miura (JPN)	Korean buyer	3	Epoxy. Trading prods. DD due 4/23.
EUROPE	441,561	2002	Daewoo (KRS)	Storage buyer	42-43	SS due 11/22.
GENERAL CARGO / MULTI-PURPOSE						
THORCO LEGACY	16,954	2014	Honda (JPN)	Undisclosed buyer	14	Cr 2x50t. Tween. Tier II. SS due 1/24. BWTS fitted.
GAS (LNG/LPG/LAG/CO2)						
EPIC BALTA	5,076	2000	Higaki (JPN)		reg 6	6,300 cbm. Fully ref. DD due 10/23.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Lepta Shipping	Ultramax	66,000 dwt x 2	YAMIC (CHN)	2024		Methanol fueled.
TANKERS						
Eastern Pacific Shipping	MR	50,000 dwt x 4+2	New Times (CHN)	2025	42	
Fairfield Chemical Carriers	Chemicals	26,300 dwt +2	Fukuoka (JPN)	2025		Declared options. Stainless Steel. LNG dual fuel.
GAS (LNG / LPG / LAG / CO2)						
Pacific Gas	LPG	99,000 cbm x 2+2	Jiangnan (CHN)	2025	130	LPG dual-fueled. Against 10-y T/C with Ineos.
Eastern Pacific Shipping	LPG	88000 dwt x 2	Sasmsung (KRS)	2025	reg 95	LPG dual-fueled.

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	590/620	590/620	585/600	250/260
Dry Cargo/Bulk/Tween/Gen Cargo	580/590	580/590	570/585	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	120	88.5	65	45.4	43.2%

SUEZMAX	80	61	44	32.4	36.0%
AFRAMAX	65	57	42	24.1	74.0%
MR	44	39	28.5	17.7	61.0%
Bulkers					
CAPE SIZE	63.5 [^]	47 eco	30	23.5	27.4%
KAMSARMAX	36 [^]	30.5	22	16.1	36.6%
ULTRAMAX / SUPRAMAX	33 [^]	29.5	21	14.0	50.5%
HANDY SIZE	29.5 [^]	26	17	11.3	50.4%
				~ = Basis standard contemporaneous DWT/spec for each type.	
[^] = Chinese price (otherwise based upon Japanese / Korean country of build)					

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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.

UN to Approve Convention Restricting Vessel Re-Arrests



A convention will be adopted in January 2022 preventing judicially sold ships from being re-arrested in other jurisdictions. Following over a decade of work by global maritime lawyers, the un-official announcement was made this Wednesday during the Comité Maritime International (CMI) Conference in Antwerp.

"The convention is to be informally approved by the UN General Assembly tomorrow," said Jose Angelo Estrella-Faria, principal legal officer of the secretariat of the UN Commission on International Trade Law (Uncitral) and head of its legislative

branch.

The eight-page convention will require courts of signatory states to accept the sale of ships in each other's courts as final and will restrict all applications to undo or vacate judicial sales to the jurisdiction in which the sale was ordered. This will be managed through the introduction of a new global repository of ship sale orders by courts around the world which will be hosted by the International Maritime Organization.

"We wanted to ensure that when a ship is sold in one jurisdiction and goes to another, the new owner and financier would have the force of law behind them and not have to fear re-arrest by old creditors," said Ann Fenech, Malta's delegate to the CMI and the organisation's co-ordinator for the project at Uncitral.

The new Convention on the International Effects of Judicial Sale of Ships is a CMI project that has been in the works for 15 years and once adopted in January must be ratified by at least three UN member states.

MOL Agrees to Charter Newbuild LNG Carrier to TotalEnergies



Mitsui O.S.K Lines (MOL) has agreed to charter a newbuild LNG carrier to French energy major TotalEnergies Gas & Power Limited ("**Total**"), a wholly owned subsidiary of TotalEnergies, in a long reported deal that has finally been concluded.

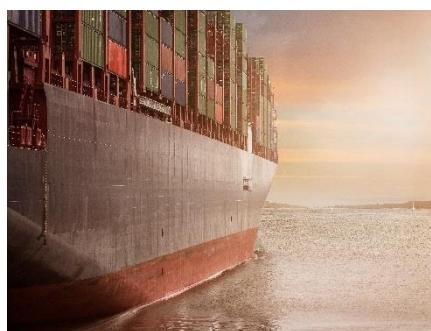
Scheduled for delivery in 2025, the vessel will serve Total's LNG portfolio whilst at the same time improve its LNG carrier fleet's environmental impact. The 174,000m³ LNG carrier will be fitted with a ME-GA engine, which provides for lower emissions than previous generation vessels. The ME-GA engine will cut methane

slip, whereby gaseous methane escapes into the atmosphere, and will also improve fuel consumption.

The charter agreement comes at a time where Total has been attempting to secure a leading position in the LNG sector. The vessel subject to the charter agreement is currently being built by Korean shipbuilder Daewoo Shipbuilding & Marine Engineering.

This agreement follows on from Total and MOL's cooperation on the first biofuel bunker operation in Singapore earlier this year. The financials surrounding the current deal have yet to be disclosed, although brokers are quoting figures of around US\$160,000 per day for three-year deals. MOL have issued a press release in which the charter is a "multi-year contract".

Taylor Maritime Buys Out Grindrod Shipping



The London-listed and Edward Buttery led Taylor Maritime Investments ("**TMI**"), through its subsidiary Good Falkirk, has agreed to buy the Singapore-based Grindrod Shipping which owns a fleet possessing a reported value of some US\$506 Million. In particular, Grindrod Shipping owns and manages a diversified fleet of bulk carriers which consists of 15 handysizes and 16 supramaxes/ultramaxes. TMI currently has 27 vessels (consisting of handysizes and supramaxes) and already holds 26% of Grindrod's shares (through Good Falkirk (MI) Limited, a Marshall Islands company and wholly-owned subsidiary of TMI

as mentioned earlier).

TMI hopes that the unification would create a significant Owner of Handysize up to Ultramax dry cargo ships and enable the enlarged group's chartering and technical management functions to realise additional value for shareholders and customers.

TMI said in a statement that “[It] believes complementary fleets have the potential to generate defensive earnings and sustainable dividends, improving average vessel age and carbon intensity” and that “the enlarged group is expected to achieve enhanced realised revenue and cost unit economics that are not available to either TMI or Grindrod on a standalone basis.”

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