

# SEABREEZE

THE SEABROKERS MONTHLY MARKET REPORT

AUGUST 2020

## MERO 3 PROJECT GETS GO-AHEAD IN BRAZIL





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# OSV MARKET ROUND-UP

## AHTS OWNERS MAKE SOME MONEY

There have been a few instances earlier this year where there were very few AHTS vessels available to charter on the North Sea spot market but owners had struggled to gain much traction for rate momentum because all the confidence had been sapped out of the market.

Well it seems that some owners have regained their confidence, with several recent rig moves in the UK sector ending up with AHTS fixtures in the GBP 30,000-55,000 range (USD 40,200-73,700). In Norway, there was a long list of fixtures in the NOK 350,000-750,000 bracket (USD 40,200-86,200).

It is important not to get carried away. While owners have been securing more lucrative fixtures than they had become accustomed to earlier this year, in some instances their vessels were fixed a week in advance of a rig move and they earned nothing in the week prior to commencement. And one good month will not compensate for all of the loss-making charters from earlier in the year.

However, the events of this month should serve as a timely reminder for charterers that the North Sea AHTS market is not one for complacency, especially when active supply levels are at such low levels this year.

## MERO 3 SANCTIONED IN BRAZIL

Petrobras and its partners have made an investment decision for the Mero 3 project in Brazil. The development is located in the Libra block in the Santos Basin, some 180km offshore Rio de Janeiro.

This investment decision follows the earlier commitments for Mero 1, with project startup expected in 2021, and Mero 2 which is set to begin in 2023. The Mero 3 FPSO is expected to be operational by 2024. All of the FPSOs will have a liquid treatment capacity of 180,000 barrels per day. The Mero field is estimated to hold 3-4 billion barrels of oil.

The decision to go ahead with this large scale project will bring a welcome breath of fresh air to the market after the continued slowdown in project approvals due to the COVID pandemic and oil price reductions this year.

Mero is the third largest field in the Brazilian pre-salt arena. Petrobras holds a 40% stake in the project in partnership with Shell (20%), Total (20%), CNOOC (10%) and CNPC (10%).

The Mero 3 FPSO will be the third unit installed at the field. The Marechal Duque de Caxias FPSO will be chartered for 22.5 years.

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## TOUGH TIMES FOR OSV OWNERS

The quarterly earnings reporting season is back upon us, and the good news has understandably been in short supply this time round in the OSV sector.

Asset impairment has been the most common theme this season as vessel values are written down to reflect declining demand levels around the globe. The other main themes have been financial restructuring and vessel layups.

The theme of restructuring will undoubtedly be here to stay for the foreseeable future with many OSV owners hampered by unsustainable debt burdens.

Hermitage Offshore has been the latest owner to file for Chapter 11 bankruptcy protection after a consensual restructuring deal could not be reached with all of the company's lenders out of court.

Elsewhere, DOF Deepwater AS, which is jointly owned by DOF ASA and Akastor ASA, will soon be solely owned by Akastor as part of a debt restructuring agreement. The DOF Deepwater entity owns five AHTS vessels: Skandi Atlantic, Skandi Emerald, Skandi Pacific, Skandi Peregrino and Skandi Saigon. DOF will continue to act as the vessel manager for the fleet.

# OSV MARKET ROUND-UP

## HYBRID UPGRADES FOR ISLAND PSVs

Island Offshore is upgrading its fleet by installing batteries and shore connection packages on three of its PSVs to reduce fuel emissions.

The Island Crusader has already been sailing on battery power since early summer while the Island Commander and Island Contender will also be upgraded for hybrid power compatibility. Two of the three vessels - the Contender and Crusader - were already outfitted to sail on LNG.

The battery packs can be used as spare capacity and also provide extra safety while the vessels are alongside a rig, saving both fuel and generator running hours. The batteries also contribute



*Island Crusader*

with quick and effective power during transit, reducing the need to start up an extra generator for peak loads. Kongsberg Maritime has been selected to deliver the batteries and Energy Storage

Systems (ESS) for the three sister vessels. The Island Commander, Contender and Crusader have all been chartered to Lundin Energy for long-term contracts in Norway.

## PSV PAIR FOR COP



*Viking Princess*

Eidesvik and Island Offshore have been awarded contracts to supply ConocoPhillips with PSVs to support a two-well drilling campaign with Transocean semisubmersible Leiv Eiriksson offshore Norway. The Viking Princess and Island Challenger

have been chartered to provide support while Conoco is drilling exploration wells at its Warka and Slagugle prospects in the Norwegian Sea. This campaign should keep the vessels occupied until late in the fourth quarter of 2020.

## SUPPLIER SUPPORTING CNOOC

Rem Offshore has picked up a term contract for PSV Rem Supplier to support CNOOC's drilling programme with the Noble Sam Hartley jackup in the UK sector. The vessel has been chartered for two firm wells with three further one-well

options available. CNOOC will be conducting an infill drilling campaign at the Golden Eagle field. This should keep the Rem Supplier busy until at least December although the options, if exercised, could keep her occupied well into 2021.





# OSV MARKET ROUND-UP

## AUSSIE SUCCESS FOR SOLSTAD...

Australia has proven to be a happy hunting ground for Solstad Offshore recently. Given the remote nature of this market, once you have a pool of vessels committed, they are ideally placed for any follow-on contract opportunities.

This may have helped Solstad to finalise 7-8 month contracts with Woodside for PSV Normand Leader and AHTS vessels Far Senator and Normand Saracen. The award of these contracts followed soon after Solstad had announced the confirmation of a one-well contract for the same three vessels with BP Australia. The vessels will support BP's Ironbark drilling campaign with



*Normand Leader (c/o O. Halland)*

Diamond Offshore semi Ocean Apex from the fourth quarter of 2020 before staying with the rig when it moves onto its next contract with Woodside.

The Normand Leader is a 2013-built VS499 PSV while the Normand Saracen (2010) and Far Senator (2013) are UT 731 CD AHTS vessels.

## ... WITH MORE JOY IN SOUTH AMERICA



*Far Scotsman (pictured c/o J. Plug)*

Solstad has also been busy on the opposite side of the globe with several contracts extended in Brazil. Equinor has extended its charter with the Sea Brasil PSV by one year and the Far Scotsman PSV by six months. The Sea Brasil is now committed until December 2021 and the Far

Scotsman until May 2022. Total has extended its contracts with PSV Normand Swift and AHTS Far Sagaris until December 2020, although the Far Sagaris will be replaced by the Far Scout during the charter because the Sagaris has another contract lined up with Petrobras.

## HAVILA PSVs STAY WITH TOTAL

While Total has been busy extending its contracts with incumbent vessels in Brazil, the same is happening in Denmark, with Havila Offshore securing contract extensions for PSVs Havila Fanø and Havila Herøy that will keep both vessels

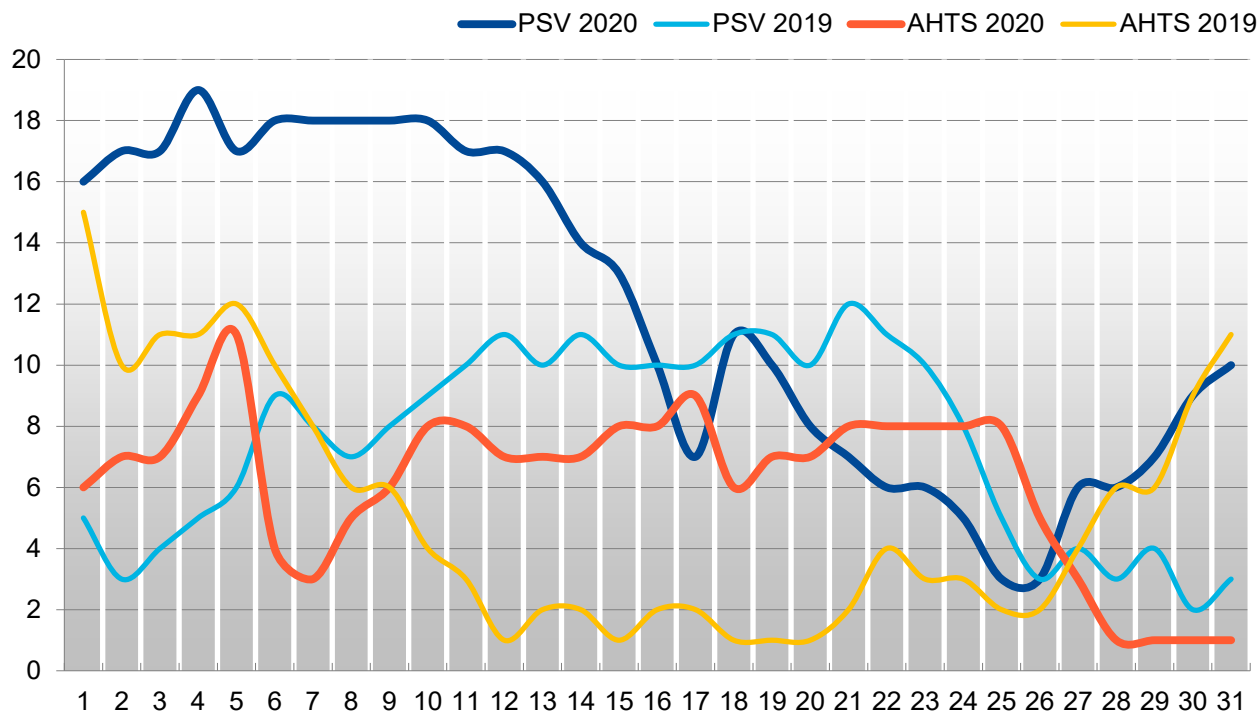
occupied with Total until at least June 2021. The latest contract extensions come with three further one-month options. The Fanø and Herøy are sister vessels that were built to the Havyard 832 CD design and delivered in 2009-2010.



*Havila Herøy*

# OSV RATES & UTILISATION

## AUGUST 2020 - DAILY NORTH SEA OSV AVAILABILITY



## RATES & UTILISATION

### NORTH SEA SPOT AVERAGE UTILISATION AUGUST 2020

TYPE	AUG 2020	JUL 2020	JUN 2020	MAY 2020	APR 2020	MAR 2020
MED PSV	71%	47%	60%	42%	66%	63%
LARGE PSV	61%	55%	63%	50%	58%	74%
MED AHTS	56%	48%	41%	38%	51%	38%
LARGE AHTS	63%	74%	52%	55%	67%	57%

### NORTH SEA AVERAGE RATES AUGUST 2020

CATEGORY	AVERAGE RATE AUG 2020	AVERAGE RATE AUG 2019	% CHANGE	MINIMUM	MAXIMUM
SUPPLY DUTIES PSVs < 900M <sup>2</sup>	£7,529	£8,420	-10.58%	£2,700	£13,000
SUPPLY DUTIES PSVs > 900M <sup>2</sup>	£4,175	£10,646	-60.78%	£2,500	£10,250
AHTS DUTIES AHTS < 22,000 BHP	£32,250	£16,124	+100.01%	£13,509	£55,000
AHTS DUTIES AHTS > 22,000 BHP	£32,256	£32,237	+0.06%	£11,049	£63,743

## SPOT MARKET ARRIVALS & DEPARTURES - AUGUST 2020

### ARRIVALS - NORTH SEA SPOT

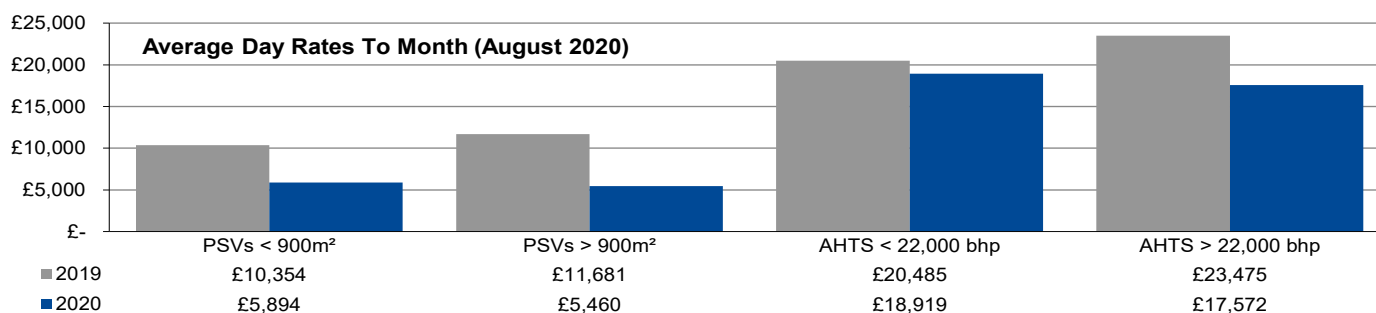
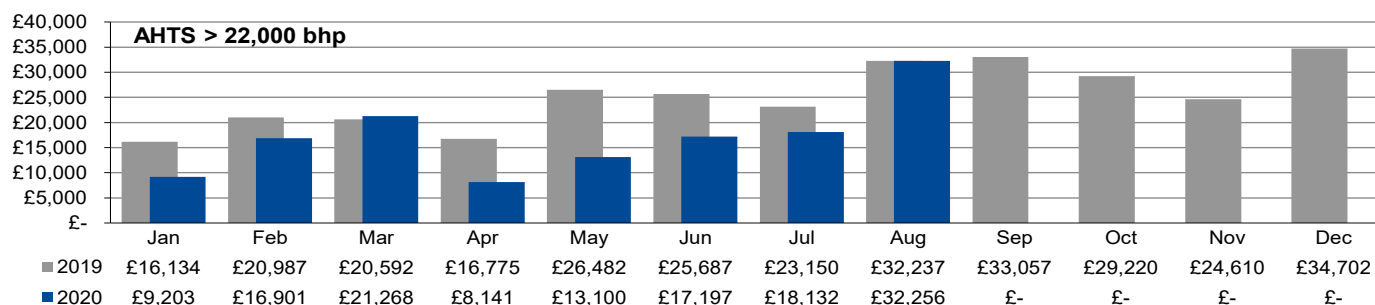
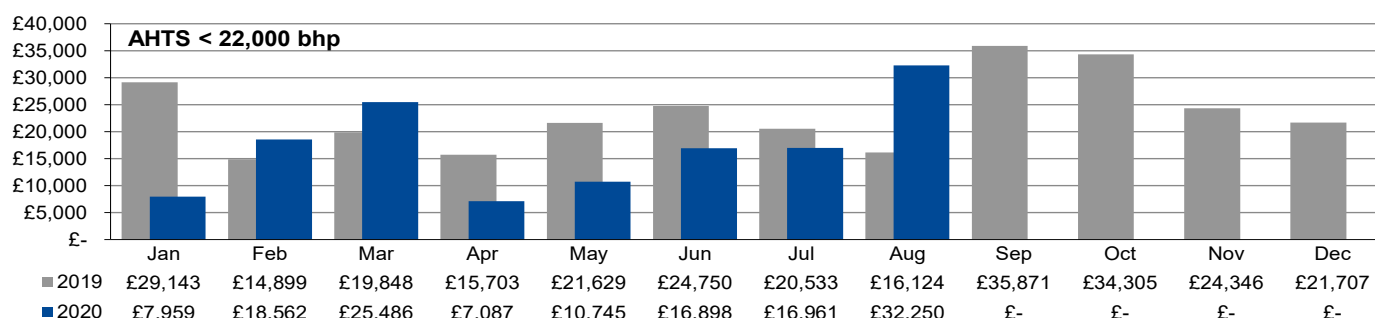
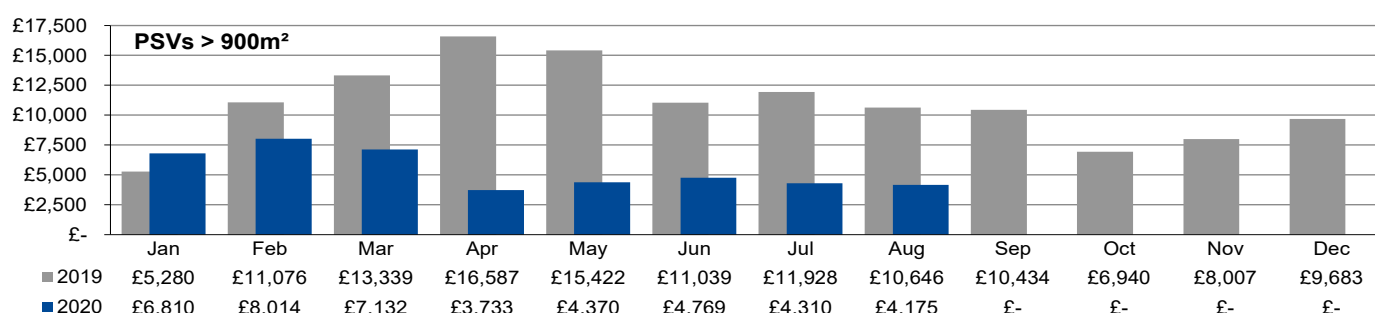
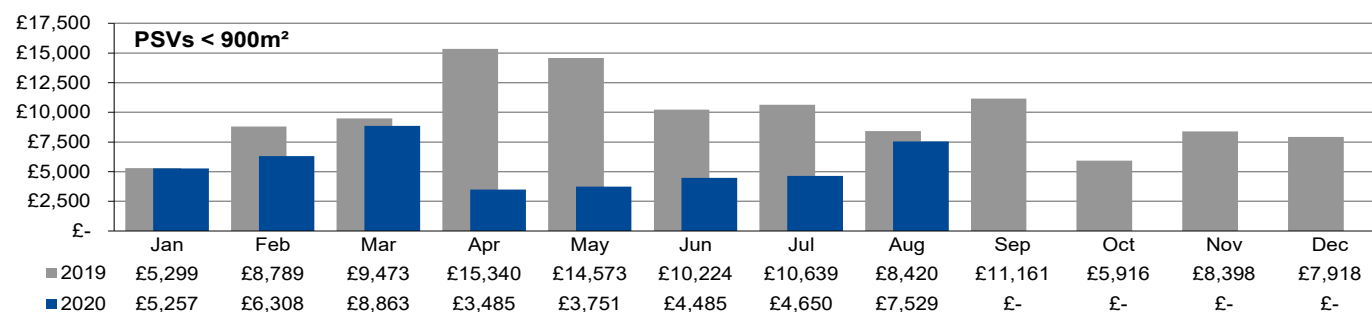
ATLANTIC MERLIN	EX CANADA
PACIFIC DISPATCH	EX CENTRAL AMERICA
SEA SPARK	EX MEDITERRANEAN

### DEPARTURES - NORTH SEA SPOT

AH VARAZZE	MEDITERRANEAN
MANTA	MEDITERRANEAN
PRINCESS	CANADA

\* Vessels arriving in or departing from the North Sea term/layup market are not included here.

# NORTH SEA AVERAGE SPOT RATES



# FEATURE VESSEL

## SBM INSTALLER



SBM Offshore has purchased the 75% share in the DSV SBM Installer, which it sold to Ocean Yield for USD 150 million in 2014, for USD 30 million.

The transaction is expected to close around the end of the third quarter of this year and remains subject to final documentation and approvals. Ocean Yield has indicated the deal will have no significant profit and loss effects in the third quarter.

SBM Offshore already owned the remaining 25% share in the MT 6024-designed vessel. Now with full ownership, the company will have more flexibility to try and offload the 2013-built unit since it operates in a non-core market for SBM.

As part of the deal to sell a share in the unit's ownership to Ocean Yield in 2014, SBM also entered into a contract to bareboat charter the vessel on a fixed rate contract until December 2026.

The 111m vessel was delivered by Keppel Singmarine in 2013. She has a 12-man saturation dive system, a 275t knuckle boom crane, a 150t active heave compensated SWL winch and a 200t SWL double-drum winch. The DP3 vessel is also equipped with two work-class ROVs and a double-decked design feature.



### SBM INSTALLER SPECS:

**Design:** MT 6024

**Builder:** Keppel Singmarine

**Delivered:** 2013

**LOA:** 111.2m

**Breadth:** 25.0m

**Crane:** 275t

**Accommodation:** 100 persons

**Dynamic Positioning:** Class 3

**Total Deck Area:** 1,390m<sup>2</sup>

**Main Winch:** 200t

**ROVs:** 2 x work-class

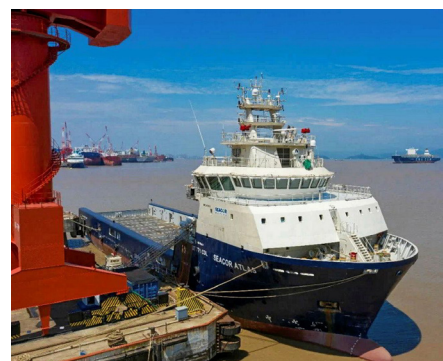


# NEWBUILDS, CONVERSIONS, S&P

## TRIO COMPLETE FOR SEACOR

Seacor Marine has accepted delivery of the Seacor Atlas from the COSCO Zhoushan Shipyard in China. The Atlas is the final PSV in a series of three that the yard had been building for Seacor, with the Seacor Alps delivered last October and the Seacor Andes delivered in May

this year. The vessels were built to the UT 771 CDL design. They were originally ordered as part of a four-PSV deal for the East Sunrise Group but only one unit was delivered to the intended owners. The other three were acquired by Seacor in January 2019 for around USD 46 million.



Seacor Atlas

## DOF SELLS DUO



Skandi Giant (pictured c/o D. Dodds)

DOF recently completed the sale of the Skandi Giant AHTS to an undisclosed international buyer, understood to be Hai Duong Maritime in Vietnam. The 2002-built vessel had been laid up in Singapore for several years prior to the sale. Separately, DOF has also recently

entered into an agreement with a shipyard in Turkey to sell the 37 year-old PSV Skandi Hav for recycling. Delivery to the yard is expected to take place in September. The Skandi Hav is currently based in Gran Canaria having concluded her final charter in Brazil earlier this year.

## HERMITAGE SELLS AHTS PAIR

Shortly before filing for Chapter 11 bankruptcy protection in the USA, Hermitage Offshore sold the only two AHTS vessels in its fleet to an undisclosed buyer. The 2009-built Hermit Baron and Hermit Brilliance have both primarily worked in West Africa during their time in service. The

sale of the vessels has released Hermitage from all remaining obligations under a USD 9 million loan from DVB Bank, with the company recording a loss of USD 4 million on the transaction. The Hermit Baron and Brilliance are 68m vessels with a bollard pull of circa 150t.



Hermit Brilliance (pictured c/o Igor)

## SWIRE PACIFIC PARTS WITH P CLASS PAIR



Pacific Petrel (pictured c/o A. Pogodin)

Swire Pacific Offshore has reportedly sold a couple of its P Class AHTS vessels recently. The Pacific Petrel, which is currently in the UAE, has been sold to new Egyptian owners. The nine year-old vessel was initially based in Southeast Asia for a spell following her delivery from

the Qingdao Qianjin Shipyard in China but she has spent most of her time in service working in the Middle East. Meanwhile, the Pacific Parakeet has reportedly been sold to Prantik Singapore Pte, with this 15 year-old vessel renamed as the Prantik Sarwar.

# NEWBUILDS, CONVERSIONS, S&P

## CLEVER MOVE BY ATLANTIC



*Ocean Clever (pictured c/o B. Sortland)*

Atlantic Offshore has sold the Ocean Clever ERRV out of the North Sea market to undisclosed buyers. Formerly known as the Shergar, the Ocean Clever was converted from an AHTS vessel into a Class A ERRV in 2017 after Atlantic acquired her from

Global Offshore Services. The vessel was originally delivered by the Jiangsu Zhenjiang Shipyard in China in 2009. Her earlier conversion at the Orkov Shipyard in Denmark involved the addition of dual FRC with dual DC capacity.

## CHINESE AUCTION FOR BOURBON PSVs

Chinese lender ICBC has put six Bourbon Offshore PSVs up for auction as part of the ship owner's fleet restructuring. The Bourbon Liberty 101, 104, 106, 107, 108 and 109 were put up for sale on the Guangzhou Shipping Exchange on August 28th. The

result of the auction has yet to be established. The 2008-built vessels are all cold-stacked, with two in West Africa, two in the Middle East and two in the Caribbean. The minimum price was set at USD 800,000 per vessel.



*Bourbon Liberty 101*

## NEW LIFE FOR FORMER K LINE PSV



The former KL Arendalfjord PSV will soon be reincarnated as an aquaculture support vessel. The 2004-built vessel was sold by K Line last year although she had been laid up for three years prior to the sale. She is now known as

the Smøla Viking and her new owners Eines are converting her at the Vard Langsten shipyard in Norway for a new role as a delicing vessel. She will be utilised by Eines at the Lofoten and Vesterålen islands.

## KOC AL ZOUR LAUNCHED IN TURKEY

The Uzmar Shipyard in Turkey has launched the KOC Al Zour, a newbuild Multipurpose Oil Spill Recovery Vessel for the Kuwait Oil Company. The 60m vessel is the first in the world to be built to the RAmpage 6000

design. The KOC Al Zour could be utilised for a variety of roles when she is not employed in an oil recovery capacity. In addition to towing or supply duties, she is also designed to be on standby at sea for long periods of time.



## RECENT DELIVERIES OF NEWBUILD OSVs

NAME	TYPE/DESIGN	OWNER / MANAGER	COMMITMENT
SEACOR ATLAS	UT 771 CDL PSV	SEACOR MARINE	TBC



## SUBSEA MARKET ROUND-UP

In light of the Mero 3 investment decision detailed on page 3, Brazil has once again become a hot spot for ship owners and contractors with an eye on improving markets.

Some owners may be cautious after their fingers were burnt during the previous downturn and may be reluctant to return vessels to Brazil having had contracts terminated in years gone by. However, it looks like Brazil may be one of the first regions to record significant

growth this time round with a total of seven FPSOs due to come online by 2025. Operators are also looking at their options for offshore wind in the region (more details can be found in the renewables section).

Meanwhile, Petrobras is likely to request revised offers for a recent tender for ROV support because the offers submitted were higher than expected. The rates offered suggest that owners are showing some confidence in Brazil.

DOF Subsea has recently secured four new contracts with Petrobras, worth around USD 110 million, covering survey and inspection work. The charters will commence in the fourth quarter of 2020 with a duration of around 550 days.

DOF will mobilise at least three of its vessels to perform inspections of flexible pipeline, risers and subsea equipment in the Campos Basin, Santos Basin, Espírito Santo Basin and in the Marlin field.

## TECHNIPFMC SECURES MERO 2 CONTRACT



Petrobras has also recently awarded TechnipFMC a contract for the Mero 2 project in the pre-salt layer of the Santos Basin offshore Brazil.

The work scope covers the engineering, procurement, construction, installation and pre-commissioning of the infield riser and flowlines for

production, including the water alternate gas wells. The contract also includes the installation and pre-commissioning of service flexible lines and steel tube umbilicals, as well as the towing and hook up of an FPSO at the field. The offshore campaign is expected to commence in 2022. First oil is scheduled for 2023.

## OOS TIRADENTES TO RESUME OPERATIONS

CIMC Raffles Asset Operation and Management, which manages the semisubmersible accommodation vessel OOS Tiradentes, was notified by Petrobras in early August that operations were to resume in the Campos Basin. This follows a suspension of operations for all such vessels due to Covid-19. The 600-bed semisub will be providing accommodation services for Petrobras' P-40 production

platform from early September. This will make the Tiradentes the first accommodation vessel to resume operations since activities offshore Brazil were earlier suspended.

The 2018-built semi has been operating in Brazil for Petrobras since her delivery from the Yantai CIMC Raffles shipyard in China and subsequent relocation to South America.

During her downtime, the

OOS Tiradentes had two of her thrusters overhauled to ensure she was ready to return to work with sustained operational efficiency.



## NEW OWNERS FOR POLAR KING



GC Rieber Shipping has sold the IMR vessel Polar King to Asso Subsea. The nine year-old vessel will be renamed as the Argo after she completes a one-month commercial commitment under the Polar King name. The vessel has been on a long-term charter with Nexans Skagerrak since January 2017.

The Polar King is an ST 254L-CD

vessel with a 150-tonne active heave compensated crane, accommodation for 112 persons and 960m<sup>2</sup> of deck space. Due to the sale, an impairment of approximately USD 5 million is expected to be recognised in GC Rieber's accounts as per 30.06.2020. The proceeds from the sale will be used to repay the vessel's outstanding debt in full.

## FUGRO TO SUPPLY ROVs TO PETROBRAS

A partnership between Fugro, Solstad and Oceanpact have been awarded three separate three-year contracts with Petrobras to provide remotely operated vehicle (ROV) services for subsea activities off Brazil. The three-year contracts come with an additional one-year option.

Fugro will provide a total of

five work-class ROVs capable of working in water depths of up to 3,000m. One ROV spread will be installed on Solstad's AHTS vessel Far Statesman to carry out anchor handling and other subsea support activities, and the remaining ROVs will be deployed in pairs on two vessels operated by Oceanpact to perform IMR duties.



*Far Statesman*

## SUCCESSFUL MONTH FOR DOF SUBSEA



DOF Subsea has secured several new contracts in the Atlantic region for survey, inspection, maintenance & repair and decommissioning work. DOF will deploy a selection of vessels to undertake the work, including the 2008-built pipelay vessel Skandi Acergy (pictured), the 2008-built OCV Skandi

Seven and the 2011-built OCV Skandi Skansen. The Skandi Seven has a length of 120.7m, a 250-tonne offshore crane and accommodation for 120 persons, while the Skandi Skansen has a length of 107.2m, a 250-tonne offshore crane and a 90-person accommodation capacity. The work will take place during the third and fourth quarters of 2020, with a total of more than 150 offshore vessel days. Meanwhile, DOF Subsea has also secured two contract awards in the Asia-Pacific region. In Australia, Chevron has awarded

DOF an IMR services contract to support its North-West Shelf and near shore subsea assets. In Southeast Asia, the company was awarded a contract for a moorings replacement and recertification project. For these campaigns, the vessel owner will utilise the OCV Skandi Hercules and the DSV Skandi Singapore throughout the third quarter and early stages of the fourth quarter of this year. The award from Chevron builds upon a previous IMR services contract and secures a further 5-year term under the new deal.



## FUGRO TO UTILISE SOUTHERN OCEAN

Bourbon Offshore and Oceanteam's jointly owned 2010-built OCV Southern Ocean has been awarded a contract with Fugro Australia. Work is scheduled to commence in the fourth quarter of 2020 for around 30 days. The 137m DP2 OCV is equipped

with a 250-tonne active heave compensated crane, 2,400m<sup>2</sup> of deck space and accommodation for 120 persons. She will be deployed after her planned class renewal programme which is currently being executed in Singapore and scheduled for completion in September.



## OCEAN INSTALLER TO USE NORMAND VISION NEXT YEAR



Ocean Installer has awarded Solstad a contract to utilise the OCV Normand Vision. The Vard

306L-designed vessel is capable of carrying out the installation of subsea structures, umbilicals, risers and flowlines. The contract commences during the first quarter of 2021 and includes options that could cover the majority of next year if exercised.

The 2014-built vessel is equipped with a 400-tonne

active heave compensated crane, accommodation for 140 persons, a 3,000t underdeck carousel and a 150t vertical lay spread system (VLS).

The vessel has worked on a long-term charter for Ocean Installer for most of her time in service after Ocean Installer sold its 70% share of the vessel to Solstad in April 2014.

## HAVILA SUBSEA TO CARRY OUT ROUTE SURVEY

Reach Subsea and the MMT Group have been awarded a contract with a major European energy company for a cable route survey. The contractor will utilise the 98m Havyard 885 IMR vessel Havila Subsea, complete with the Surveyor Interceptor ROV, for the charter. The project will have two phases

and will be conducted during the fourth quarter of this year and in 2021. With the addition of this new contract, Reach has now accumulated approximately 1,100 project days (equivalent to about 1,800 ROV days) for Q2-Q4 execution, and about 350 project days (550 ROV days) for 2021 execution.



## SUBSEA 7 SECURES CAMPAIGN OFF TRINIDAD & TOBAGO

Subsea 7 recently picked up another sizeable contract in the Caribbean market. The company classes a sizeable contract as carrying a value between USD 50 million and USD 150 million.

The campaign offshore Trinidad & Tobago covers the project management, engineering, procurement, installation and pull-in of one subsea rigid flowline and flexible riser, along

with flexible flowlines and the associated subsea infrastructure and umbilical system. The offshore scope is scheduled to take place during 2021.

# RENEWABLES

## OFFSHORE WIND MOVING AHEAD IN BRAZIL



Offshore wind developers have started to advance plans to install several gigawatts of new wind projects offshore Brazil. Equinor has applied to the nation's federal environment agency IBAMA for permission to carry out an environmental impact assessment to look into the possibility of developing an offshore wind project. Local reports suggest that the wind developer is looking to

generate up to 4.66GW split across two 2.33GW fields dubbed Aracatu 1 and Aracatu 2. If the project goes ahead it will be a gigawatt larger than the Dogger Bank development offshore the UK.

The projects will lie off the neighbouring states of Rio de Janeiro and Espírito Santo in the southeast of Brazil, some 25km from shore in water depths between 15 and 35 metres. Each development will consist of up to 160 turbines.

Back in 2018, Equinor signed a Memorandum of Understanding (MoU) with Petrobras to jointly develop the offshore wind energy segment in Brazil.

Meanwhile, Iberdrola's Brazilian subsidiary Neoenergia already has three of its projects in the licensing phase. It is actively participating in discussions to define the best regulation to be adopted for the development of offshore wind in Brazilian waters.

It is further understood that Neoenergia's developments total 9GW and are split across the waters off the states of Rio Grande do Sul, Rio de Janeiro and Ceará. Reports suggest that the developer is considering 15MW turbine hardware with rotors up to 245m in diameter for the projects.

## ALPHA VENTUS CALLS FOR NORMAND JARSTEIN

The Normand Jarstein will shortly mobilise to Siemens Gamesa's 60MW Alpha Ventus wind farm offshore Germany for a month-long campaign. The 2014-built Normand Jarstein is an MT 6022L vessel with a length of 117m. She is outfitted with an Ampelmann E 1000

motion compensated gangway and accommodation for 110 persons.

Alpha Ventus has six Adwen M5000 turbines and six Senvion 5M turbines. Solstad's Normand Jarstein is under charter with DeepOcean for a minimum period of 200 days in 2020.



## SAIPEM LOOKS TO BECOME A DEVELOPER



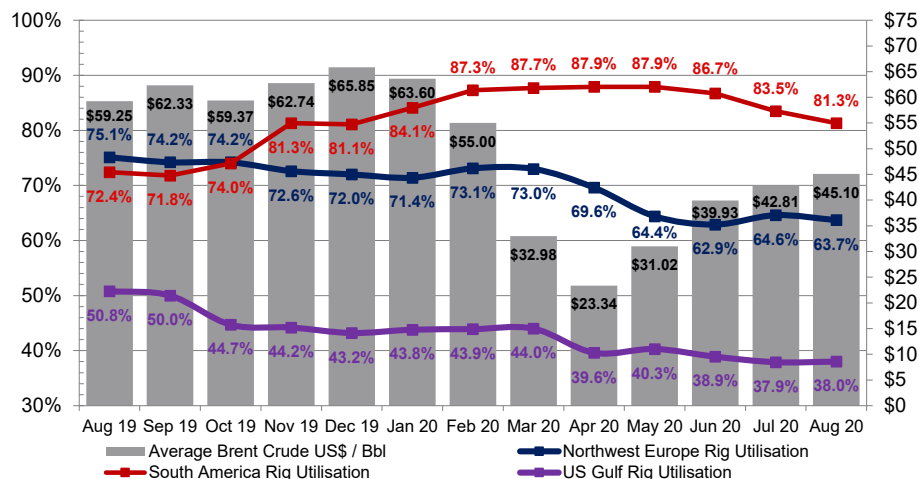
Saipem has recently signed a Memorandum of Understanding with AGNES and QINT'X to develop a 450MW wind farm offshore Italy. The project will consist of 56 turbines on fixed foundations at two different

sites, respectively located more than 8 and 12 nautical miles offshore Ravenna in the Adriatic Sea. Saipem has stated that innovations such as floating solar technology based on the proprietary technology of Moss Maritime will be used on the site. Saipem's XSIGHT division has already begun

developing integrated solutions for using renewable energy and for producing green hydrogen. The agreement gives Saipem a new role as a developer of offshore wind farms. Saipem is planning to launch similar projects through XSIGHT in Sicily and Sardinia using floating foundations.



## OIL PRICE VS RIG UTILISATION



## DRILLING RESUMES OFF ANGOLA

Angola was one of the worst affected offshore markets due to Covid-19 with drilling activity grinding to a halt as operations were suspended.

Thankfully it appears that a bit more normality may now be

returning, with Total resuming its Angolan drilling campaigns with both the Deepwater Skyros and Maersk Voyager drillships. Total is also planning to resume operations in the near future with the West Gemini.

## QATAR EXTENSION FOR JDC DUO

The North Oil Company in Qatar has extended its contracts with two Japan Drilling Company jackups. Via the exercise of option periods, the Hakuryu-10 and Hakuryu-12 will continue working at the Al Shaheen oil

field for at least one more year. The rigs are now committed until at least February 2022 and September 2021 respectively. The North Oil Company is a joint venture between Total and Qatar Petroleum.

## RIG UTILISATION AND DAY RATES

UTILISATION	AUG 2020	AUG 2019	AUG 2018	AUG 2017	AUG 2016
NORTHWEST EUROPE	63.7%	75.1%	67.4%	59.4%	60.5%
SOUTH AMERICA	81.3%	72.4%	60.5%	68.8%	74.8%
US GULF	38.0%	50.8%	48.0%	34.0%	34.4%

RECENT DAY RATE BENCHMARKS	LOW (USD)	HIGH (USD)
UK HARSH HIGH SPEC JACKUPS	70,000	80,000
NORWAY HARSH HIGH SPEC JACKUPS	253,000	280,000
UK HARSH STANDARD SEMISUBS	140,000	170,000
GLOBAL ULTRA-DEEPWATER SEMISUBS	140,000	180,950
GLOBAL ULTRA-DEEPWATER DRILLSHIPS	150,000	455,000

INACTIVE RIGS NORTHWEST EUROPE		
NAME	TYPE	STATUS
BIDEFORD DOLPHIN	SS	WARM STACK
BLACKFORD DOLPHIN	SS	WARM STACK
BOLETTE DOLPHIN	DS	WARM STACK
COSLINNOVATOR	SS	WARM STACK
DEEPSEA ABERDEEN	SS	WARM STACK
ISLAND INNOVATOR	SS	WARM STACK
MAERSK GALLANT	JU	COLD STACK
MAERSK INNOVATOR	JU	WARM STACK
MAERSK INTERCEPTOR	JU	WARM STACK
MAERSK REACHER	JU	WARM STACK
MAERSK RESILIENT	JU	WARM STACK
MAERSK RESOLUTE	JU	WARM STACK
NOBLE HANS DEUL	JU	WARM STACK
NOBLE HOUSTON COLBERT	JU	WARM STACK
OCEAN VALIANT	SS	COLD STACK
PAUL B. LOYD, JR.	SS	HOT STACK
PROSPECTOR 1	JU	WARM STACK
PROSPECTOR 5	JU	WARM STACK
RAN	JU	WARM STACK
SCARABEO 8	SS	WARM STACK
STENA DON	SS	WARM STACK
SWIFT 10	JU	COLD STACK
TRANSOCEAN ARCTIC	SS	COLD STACK
TRANSOCEAN LEADER	SS	COLD STACK
VALARIS JU-100	JU	COLD STACK
VALARIS JU-101	JU	COLD STACK
VALARIS JU-121	JU	WARM STACK
VALARIS JU-123	JU	WARM STACK
VALARIS JU-248	JU	WARM STACK
VALARIS JU-249	JU	WARM STACK
WEST ALPHA	SS	COLD STACK
WEST BOLLSTA	SS	WARM STACK
WEST EPSILON	JU	COLD STACK
WEST LEO	SS	COLD STACK
WEST NAVIGATOR	DS	COLD STACK
WEST PEGASUS	SS	COLD STACK
WEST TAURUS	SS	COLD STACK
WEST VENTURE	SS	COLD STACK
WILHUNTER	SS	COLD STACK

Source: IHS-Petrodata

# CONUNDRUM CORNER, DUTY PHONES

## CHAPTER 11 FOR VALARIS

Following the lead of Diamond Offshore in April and Noble Corporation in July, Valaris has now become the latest major drilling contractor to file for Chapter 11 bankruptcy protection.

Valaris has entered into a binding Restructuring Support Agreement and Backstop Commitment Agreement with around 50% of its noteholders with the intention of substantially reducing the company's debt load while providing a robust financial platform to take advantage of a longer term market recovery. The agreement would see the company's debt load reduced by more than USD 6.5 billion, with USD 500 million provided via debtor-in-possession (DIP) financing to support operations throughout the Chapter 11 process.

## CONUNDRUM CORNER

**Last month's answer :-**

A train timetable is listed below. What time should the Penzance train depart?

Glasgow 07:12  
Reading 18:05  
Norwich 14:15  
Sheffield 19:08  
Penzance ?

The answer was :- 16:05 (the alphabetical value of the first letter gives the hour; the value of the second letter gives the minutes).

**This month, our poser is as follows:**

2 ice lollies and 2 choc ices = £2.90  
2 cornettos, 1 choc ice and 1 ice lolly = £3.45  
1 ice lolly and 1 cornetto = £1.60

How much does a choc ice cost?

**Answers back to [chartering@seabrokers.co.uk](mailto:chartering@seabrokers.co.uk).**

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