

# SEABREEZE

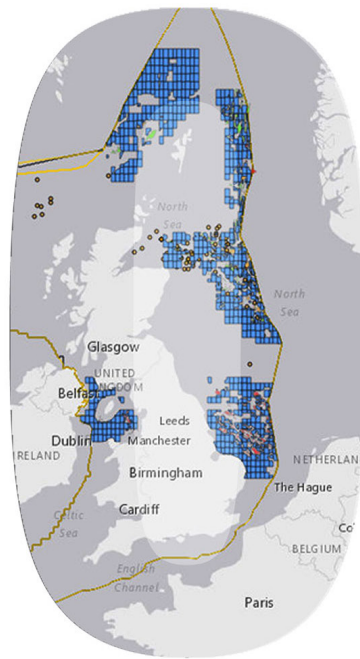
THE SEABROKERS MONTHLY MARKET REPORT

MAY 2018

## UK LICENSING ROUND "TRANSFORMATIONAL"

UK's

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th

offshore licensing round



14 LICENCES STRAIGHT TO SECOND TERM (FIELD DEVELOPMENT)



50% INCREASE IN EXISTING LICENSED AREA



3.6 BILLION BARREL POTENTIAL FROM EXPLORATION

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## ABOUT SEABROKERS GROUP

The Seabrokers Group was established in 1982. We provide a unique and varied range of services to clients. The Seabrokers Group has an experienced workforce within Shipbroking, Real Estate, Facilities Management, Construction, Sea Surveillance, Harbour Cranes and Safe Lifting Operations. Our head office is located in Stavanger, but we also have offices in Aberdeen, Bergen and Rio de Janeiro.

The Seabrokers Group is different – and we are proud of this fact. Our information, experience and knowledge provide us with the ability to perform in our diverse business areas.

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# OSV MARKET ROUND-UP

## SPOT LAGGING TERM FOR OWNERS

Northwest Europe remains one of the brighter regional markets for PSV owners, with tangible improvements in term rates over the last 6-12 months. Throughout 2016 and 2017, charterers in the UK sector could pick up vessels on term contracts with rates of GBP 5,000-7,000 per day, regardless of the vessel specification, contract duration or start date. This year, it has been far more common for term fixtures to fetch GBP 7,000-9,000, with some owners able to secure rates of GBP 10,000-12,000 for higher specification vessels.

By comparison, the regional spot market has been relatively subdued, with average spot rates lagging behind the term market so far this year. After a very slow start to 2018, spot rates have increased over the last couple of months although they are still lower than owners would like them to be. Nevertheless, as offshore activity has started to pick up for the summer, so too have rates. The average spot fixture in May was GBP 8,400 for large PSVs (900m<sup>2</sup>+), the highest monthly average of the year so far. The concern from owners will be the fact that several vessels have been reactivated from layup, while several more have relocated from other regions. If this trend continues, it may hamper further rate momentum, but owners will still be pleased to see movement in the right direction for them for a change.

## “TRANSFORMATIONAL” UK LICENSING ROUND

The UK Oil & Gas Authority (OGA) has announced the results of its 30th Offshore Licensing Round, which it has described as “transformational.”

The OGA has offered for award 123 licences covering 229 blocks or part-blocks. These awards were issued to 61 different companies. A total of 26,659 km<sup>2</sup> of acreage has been offered, and if all of the awards are accepted then it will equate to an increase of 50% on the existing acreage held offshore the UK.

The OGA expects this round to lead very quickly to further offshore activity, with the awards providing “a strong platform for future exploration and production across the UK Continental Shelf.”

The minimum work programme commitments from the new licences include eight firm exploration/appraisal wells, nine new-shoot 3D seismic surveys and, significantly, 14 licences which will progress straight to field development planning (second term licences).

This round may help to unlock around a dozen undeveloped discoveries, containing a total estimated resource of 320 million barrels of oil equivalent (boe); these discoveries were previously stranded but can now be progressed through further appraisal to field development. Furthermore, using industry resource estimates, around 3.6 billion boe of further exploration prospectivity will be progressed by the new licencees.

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## CAUTIOUS OPTIMISM... BUT RATES STILL LOW

Many OSV owners have reported their quarterly financial results in recent weeks, with some considerably more bullish than others with their market outlook.

There was a common theme with many owners noting an increase in tendering activity, particularly in the North Sea, but also a sobering reminder that day rates in many regions remain at unsustainable levels. Solstad Farstad evaluated that “the recent increase in the tender activity level gives reason to believe that

the market has bottomed out, and that the activity level will continue to grow going forward.” However, this was countered by Bourbon Offshore with the acceptance that “the real problem of our industry is the daily fees, which do not make it possible to cover all the operating and financial costs.” From a more positive perspective, GulfMark also noted some improvements in trading conditions beyond the North Sea, suggesting that “2019 should be the turnaround year for the Americas.”

# OSV MARKET ROUND-UP

## DOF DEALS IN NORTH SEA AND AMERICAS

DOF has picked up a variety of new contracts in recent weeks, securing term fixtures for vessels in both the North Sea and the Americas.

In the North Sea, PSV Skandi Kvitsoy (pictured c/o H Otneim) has been contracted by Chevron North Sea Ltd for a period of approximately 140 days from June. The vessel will provide support for Chevron's drilling campaign with semisubmersible Ocean Guardian. The rig has been contracted by Chevron to drill two wells in the UK sector.

In the Americas, DOF subsidiary Norskan Offshore Ltda has been awarded a one-year contract for AHTS vessel Skandi Fluminense



with Petrobras. This contract is expected to commence in July, and will include work for one ROV on the Fluminense. In North America, DOF has been

awarded 120 days of additional work for PSV Skandi Chieftain offshore eastern Canada. The vessel is providing seismic support for a PGS survey.

## FRENDE FOR SHELL UK



Østensjø Rederi has entered into a new contractual agreement with Shell that will see PSV Edda Frende contracted in the UK sector of the North Sea for three years from May 2018. In an increasingly active North Sea sector, Shell has had another

long-term PSV tender out on the market recently, for a six-well plus 12 one-well options campaign. A contract award is expected to be announced in the near future. The firm portion of this charter is expected to last for at least 18 months.

## NORSKE SHELL KEEPS PRIDE

Norske Shell has awarded Siem Offshore a long-term contract extension that will see dual-fuel PSV Siem Pride committed for at least five more years. The vessel is now firmly contracted until November 2025. The Siem Pride has worked exclusively for

Norske Shell since her delivery in 2015. The vessel was built to Wärtsilä's VS 4411 DF design, enabling her to be powered by either LNG or marine diesel oil. She has a length of 89.2m, a deck area of 980m<sup>2</sup> and a deadweight of 5,500t.



# OSV MARKET ROUND-UP

## SOLSTAD FARSTAD SCOOPS MORE BRAZIL WORK

Solstad Farstad has entered into new contractual arrangements with Petrobras for three of its vessels.

AHTS vessel BOS Topazio has been awarded a new three-year contract that will commence in the first quarter of 2019, in direct continuation of the vessel's current charter. Petrobras has the option to extend the contract for two more years beyond the first quarter of 2022.

Another AHTS vessel, the Far Santana, has had her contract with Petrobras extended for one more year until the second quarter of 2019. The Santana (pictured) is equipped with Fugro's FCV Work Class ROV



which is suitable for work in water depths of up to 3,000m.

Finally, Petrobras has extended its contract with CSV Far Saga

for two additional years until the second quarter of 2020. The Far Saga is equipped with two i-Tech Work Class ROVs for work in water depths of 3,000m.

## GOOD FORTUNE FOR HAVILA



Havila Shipping has picked up a six-month plus options contract for PSV Havila Fortune. This will see the vessel reactivated from layup in Norway for her first job since late 2017. The Fortune will be working for Axxis Geo Solutions providing

seismic support. Operations are scheduled to commence in June 2018.

The Havila Fortune (pictured c/o D Dodds) is a 2008-delivered PSV built to the MT 6009 MkII design. She has a deck area of 683m<sup>2</sup> and deadweight of 3,205t.

## MULTI-VESSEL BP CONTRACT FOR VROON

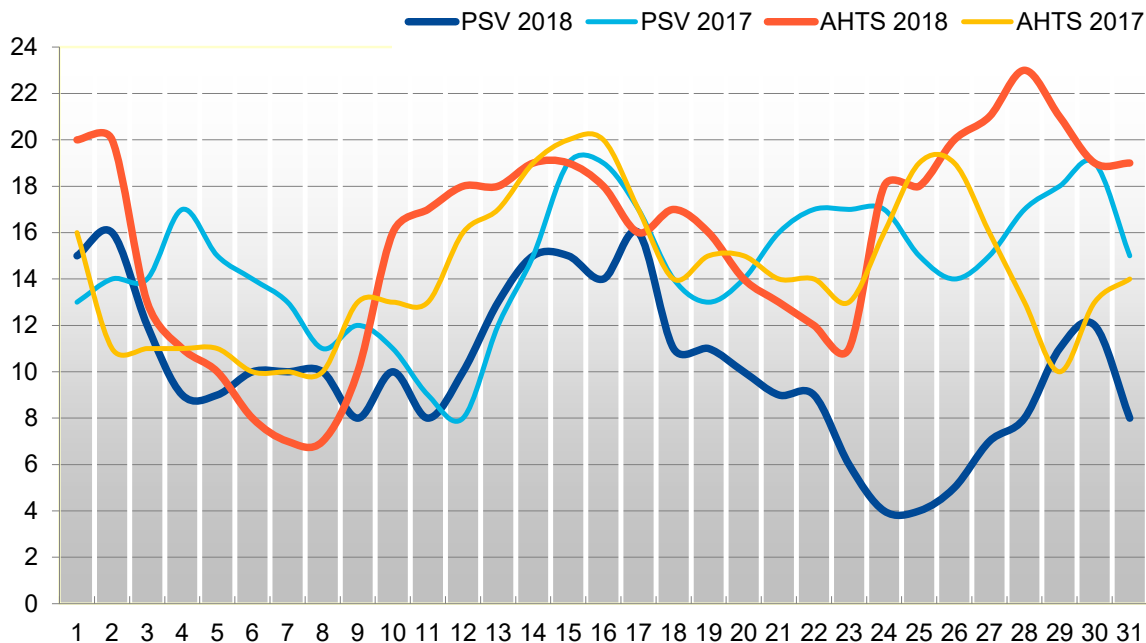
Vroon Offshore Services has been awarded a long-term contract with BP Exploration & Production that will see Vroon provide emergency response and rescue cover at BP's assets in the North Sea and West of Shetland. The contract is for

two firm years with the option for BP to extend this to five years. Five Vroon ERRVs will be providing the services to BP: the VOS Discovery, VOS Fabulous (pictured c/o D Dodds), VOS Fairness, VOS Innovator and VOS Vigilant.



# OSV RATES & UTILISATION

## MAY 2018 - DAILY NORTH SEA OSV AVAILABILITY



## RATES & UTILISATION

### NORTH SEA SPOT AVERAGE UTILISATION MAY 2018

TYPE	MAY 2018	APR 2018	MAR 2018	FEB 2018	JAN 2018	DEC 2017
MED PSV	64%	57%	58%	56%	52%	60%
LARGE PSV	75%	83%	74%	76%	76%	79%
MED AHTS	46%	63%	55%	23%	37%	49%
LARGE AHTS	56%	61%	60%	61%	44%	55%

### NORTH SEA AVERAGE RATES MAY 2018

CATEGORY	AVERAGE RATE MAY 2018	AVERAGE RATE MAY 2017	% CHANGE	MINIMUM	MAXIMUM
SUPPLY DUTIES PSVs < 900M <sup>2</sup>	£7,589	£5,675	+33.73%	£4,995	£15,000
SUPPLY DUTIES PSVs > 900M <sup>2</sup>	£8,400	£5,642	+48.88%	£6,000	£13,636
AHTS DUTIES AHTS < 22,000 BHP	£8,733	£6,875	+27.03%	£6,000	£12,500
AHTS DUTIES AHTS > 22,000 BHP	£12,843	£7,788	+64.91%	£5,909	£38,636

## SPOT MARKET ARRIVALS & DEPARTURES MAY 2018

### ARRIVALS - NORTH SEA SPOT

BOA BISON	EX NORTH AMERICA
BOURBON TOPAZ	EX WEST AFRICA
FAR STARLING	EX WEST AFRICA
GH NAVIGATOR	EX WEST AFRICA

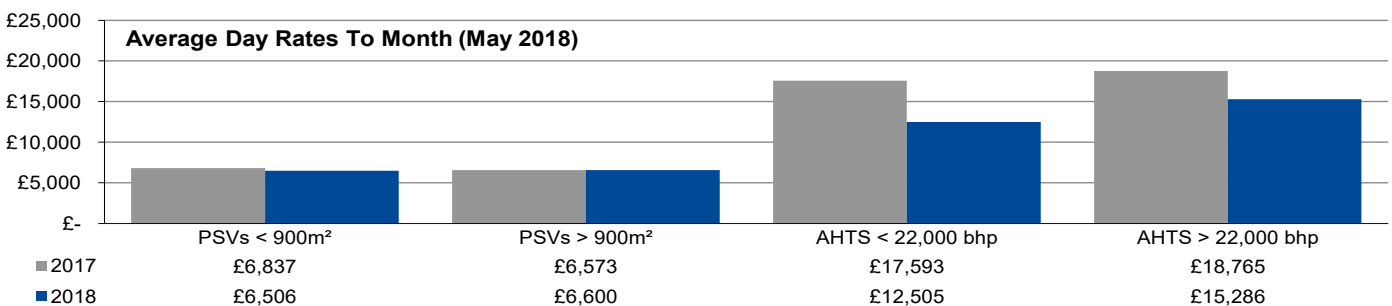
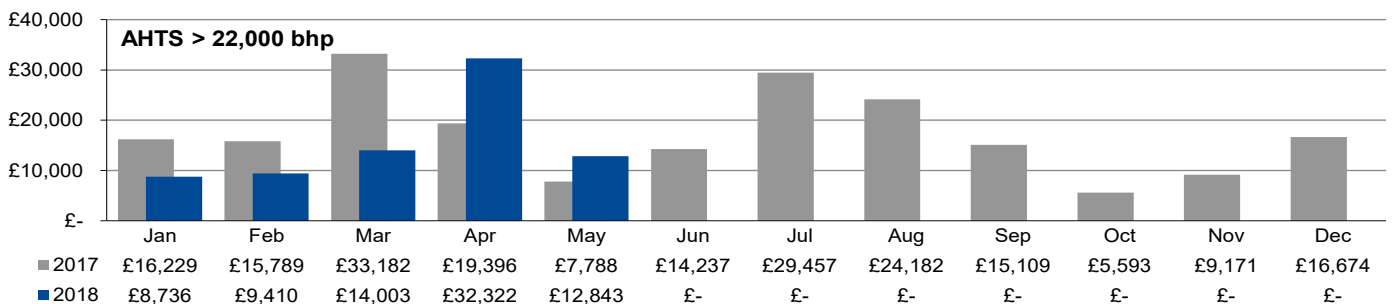
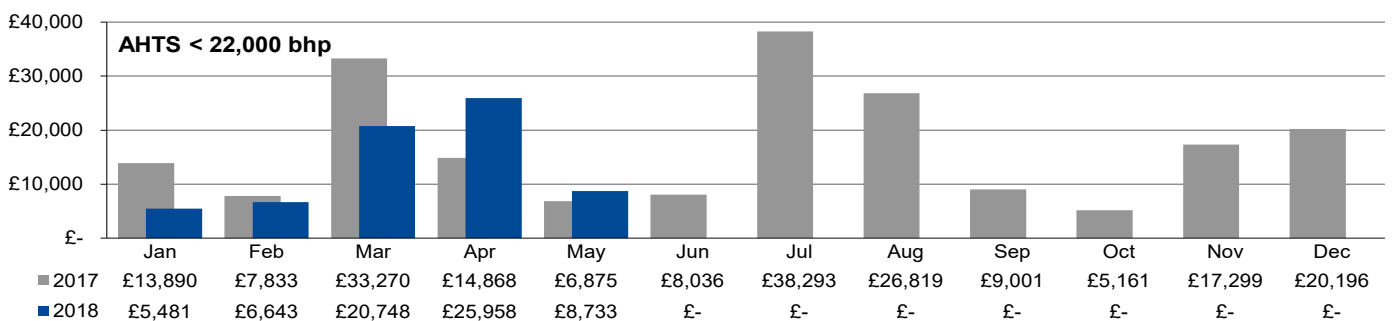
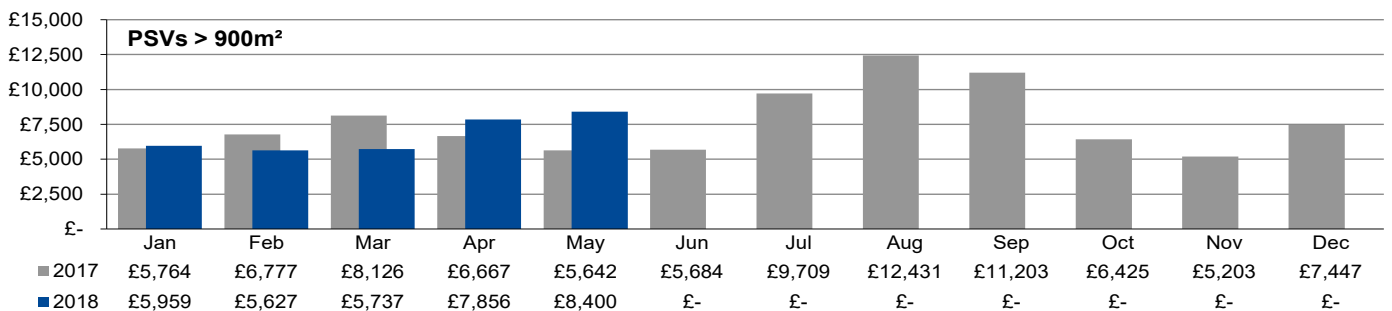
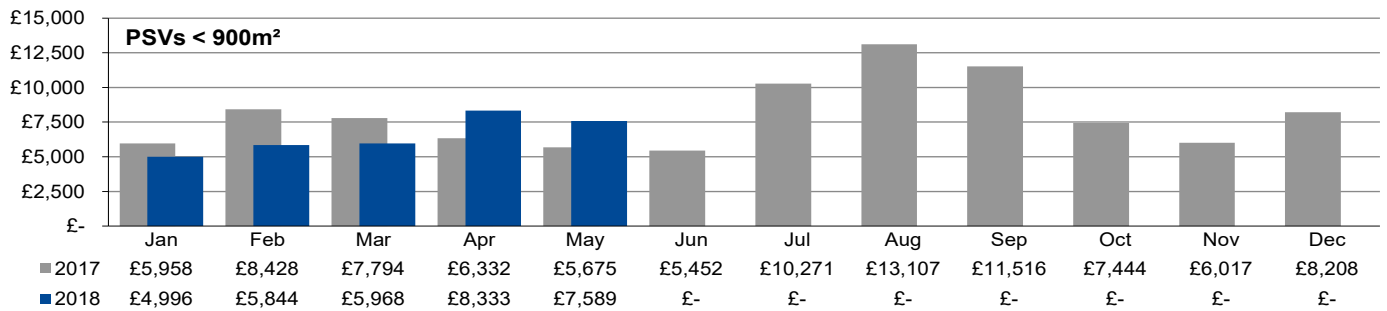
### ARRIVALS CONTINUED

HIGHLAND NAVIGATOR	EX BLACK SEA
ONYX	EX MED
SOLVIK SUPPLIER	EX BLACK SEA

### DEPARTURES - NORTH SEA SPOT

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

# NORTH SEA AVERAGE SPOT RATES



# FEATURE VESSEL

## SUBSEA VIKING



Eidesvik Seven Chartering AS, a Joint Venture between Subsea 7 and Eidesvik Offshore, has entered into an agreement with Subsea 7 to amend and extend the contract for the IMR vessel Seven Viking.

The new contract is firm until the end of 2025, with an additional option to extend by a further year. The 2013-built vessel was previously firm with Subsea 7 until 2019.

Equinor (previously Statoil) has also awarded the IMR vessel a five-year plus options contract for subsea inspection, repair and maintenance operations. This contract is scheduled to commence in January 2019.

The Seven Viking will provide IMR services for Statoil's 560 subsea wells on the Norwegian

continental shelf (NCS).

The vessel will be reconstructed from conventional to hybrid operations prior to commencing the contract. This will include the installation of a battery, along with preparations for a land-based power supply.

The Subsea Viking is an Ulstein SX148 vessel. She has a length of 106.5 metres, a breadth of 24.5m and deck area of 600m<sup>2</sup>. She has accommodation for 90 persons, and is equipped with a 135-tonne active heave-compensated crane and three ROVs.



### SUBSEA VIKING SPECS:

**Built:** 2013  
**LOA:** 106.5m  
**Breadth:** 24.5m  
**Draft (max):** 8.0m  
**Deadweight:** 4,649t  
**Deck Area:** 600m<sup>2</sup>  
**Deck Strength:** 10t/m<sup>2</sup>  
**Accommodation:** 90 persons  
**Crane:** 135 tonne AHC  
**DP:** Class 2  
**ROVs:** 2 x Work-Class & 1 x Obs  
**Max speed:** 14 knots



# OSV NEWBUILDINGS, S&P

## SWIRE GETS GUILLEMOT

Swire Pacific Offshore is nearing the end of its PSV newbuilding programme following the recent delivery of the Pacific Guillemot by the Japan Marine United (JMU) Corporation. The vessel (pictured c/o M Neko) was mobilised to Singapore following delivery. The Guillemot is the

ninth of ten sister vessels being built for Swire to the IMT 984 design. The final PSV in the series, Pacific Gull, is scheduled for delivery in the near future. The 'G Class' vessels have a length of 84.65m, a deck area of 810m<sup>2</sup> and a deadweight of more than 4,000 tonnes.



## NAMING CEREMONY FOR TWO SEVNOR NEWBUILDS



The Tersan Shipyard in Turkey has held a naming ceremony for two newbuild vessels that have been built for Sevnor. The Sayan Polaris (pictured c/o S Altay) is an MPSV built to the VS 4530 design; this newbuild order was originally placed by Troms Offshore/Tidewater (the vessel

was previously known as the Troms Polaris). The second vessel, the Sayan Prince, is an AHTS vessel built to the MOSS 919 CD design; this newbuild order was originally placed by Finarge in South Korea but later transferred to Turkey (the vessel was previously known as the A.H. Genova).

## HORNBECK BUYS FOUR FROM ARIES

Hornbeck Offshore Services has acquired four high-spec PSVs from Aries Marine Corporation. The four vessels and related equipment were bought for USD 36.6 million in cash, plus the cost of fuel and lube inventory. The vessels are all US-flagged and equipped with DP2 station keeping. Two of them

are 280 class OSVs built in 2010 and 2011: the Dwight S. Ramsay (pictured) and Betty Pfankuch; the other two are 300 class OSVs built in 2014 and 2015: the Ram Nation and Ram Country. The 280 class OSVs have a deadweight of 3,800t, while the 300 class vessels have a deadweight of 5,500t.



## SEATANKERS ACQUIRES FOUR PSVs



Seatankers Management has signed an agreement with Fujian Mawei Shipbuilding in China for the acquisition of four resale PSVs. The four vessels (referred to as MW6281, MW6282, MW6283 and MW 6285) were originally ordered by Nam Cheong, which has since sought court protection

in Singapore to restructure its debt obligations. While further details of the specific vessels have not been confirmed, this may relate to an order that Bumi Armada placed with Nam Cheong in 2013 for four MPSVs to be built by Fujian Mawei to the Wärtsilä WSD 1000 design.

# OSV NEWBUILDINGS, S&P

## A1 EXPANDING FLEET



A1 Offshore Solutions has bought the 1996-built PSV Maersk Norseman from Maersk Supply Service. The vessel (pictured c/o D Porter) has been renamed as Thor Express and mobilised from Canada to Emden in Ger-

many. Market sources indicate that A1 Offshore is also acquiring another Maersk Supply PSV, the Maersk Nascopie, which is still in Canada. It is expected that both vessels will be marketed for work in the renewables sector.

## THREE FORMER FARSTAD VESSELS SOLD

Solstad Farstad has sold three more vessels in recent weeks. Firstly, the 1996-built PSV Far Supporter has been acquired by Hai Duong Marine, with the vessel mobilised to Vietnam and renamed as Sea Meadow 12.

Meanwhile, AHTS vessels Far Sailor (pictured) and Far Senior have been sold to an undisclosed buyer. The two units, delivered in 1997 and 1998 respectively, had been cold-stacked in Norway for more than a year prior to this deal.



## EXECUTIVE VESSEL DELIVERED IN SRI LANKA



The Colombo Dockyard in Sri Lanka has delivered newbuild AHTS vessel Executive Aspire to Executive Offshore. Following delivery, the vessel has since been mobilised to Singapore. The Executive Aspire was built

to a Wärtsilä design, with a length of 78.2m and a breadth of 18.5m. She has a bollard pull of 200t and a deck area of 600m<sup>2</sup>, with a deadweight of around 3,000t and an accommodation capacity for 44 persons.

## HALUL NEWBUILDS OFF TO QATAR

The Fujian Southeast Shipyard in China has delivered newbuild PSV Halul 83 to Qatar-based owner Halul Offshore. IHS-Markit reports that Halul has also accepted delivery of another

newbuild PSV, Halul 80, from the same yard; this vessel was originally completed in 2016 but laid-up upon delivery. Both the Halul 80 and 83 have been mobilised from China to Qatar.



## RECENT DELIVERIES OF NEWBUILD OSVs

NAME	TYPE/DESIGN	OWNER/ MANAGER	COMMITMENT
EXECUTIVE ASPIRE	WÄRTSILÄ 78M AHTS	EXECUTIVE OFFSHORE	TBC
HALUL 80	KCM 75M PSV	HALUL OFFSHORE	TBC
HALUL 83	KCM 75M PSV	HALUL OFFSHORE	TBC
PACIFIC GUILLEMOT	IMT 984 PSV	SWIRE PACIFIC OFFSHORE	TBC

## SUBSEA MARKET ROUND-UP

Statoil has changed its name to Equinor to reflect the ongoing changes within the company, with board approval for the change received on May 15th.

Equinor will target both oil & gas and renewable energy on an international basis going forward. In the meantime, May was certainly a busy month, with Equinor awarding a spread of subsea-related contracts.

DeepOcean was awarded a long-term contract for subsea life of field services on Equinor's operated assets. This award covers onshore project management, engineering, and offshore operations that will involve a number of vessels from DeepOcean's fleet. Offshore operations will include inspection and survey work involving the use of work-class and observation-class ROVs, as well as the installation

and replacement of subsea modules and trees using module handling systems. Work will also entail scale squeeze operations and the installation of structures. The contract is on a call-off basis with a firm duration of five years from January 2019.

DOF Subsea has been awarded a five-year frame agreement to provide inspection, maintenance and repair services to Equinor. During the frame agreement, which is due to start in 2019, Equinor will call-off subsea IMR services as required.

Equinor also entered into a Letter of Intent (LOI) with AKOFS Offshore for the provision of year-round light well intervention services on the Norwegian continental shelf. This will utilise the OSCV 06 WI-designed AKOFS Seafarer well intervention vessel. The

contract is subject to partner approval and final agreement on terms and conditions, but if approved will be firm for five years with an option period of three years. The contract value for the initial five-year period is approximately USD 370 million, with a scheduled commencement in the first half of 2020.

The AKOFS Seafarer and its intervention system will undergo modifications and upgrades as part of preparations for the contract. The 2010-built vessel has a length of 157m, and she is equipped with a 400t crane and riser based intervention down to 2,500 metres.

Equinor also awarded a five-year call-off frame agreement with Subsea 7 to utilise the Subsea Viking, as described in the feature vessel article on page 8.

## EQUINOR LOOKS TO REACH



Prior to changing its name to Equinor, Statoil also awarded a frame agreement in early May to Reach Subsea for the provision of inspection, maintenance and

repair services. The call-off frame agreement has a duration of five years and is scheduled to commence in 2019.

## MCDERMOTT COMPLETES CB&I ACQUISITION

McDermott has completed its purchase of CB&I Offshore, and is now expanding its capabilities to become an onshore-offshore EPCI specialist. As previously reported, McDermott shareholders will own

around 53 per cent of the combined company on a fully diluted basis, with CB&I shareholders holding the remaining 47 per cent. Earlier in May, Subsea 7 announced that upon completion

of the McDermott shareholders' vote in favour of a combination with CB&I, Subsea 7 withdrew its proposal to acquire McDermott. Subsea 7's acquisition attempt valued McDermott at USD 2 billion.

## FINAL STINGRAY VESSEL DELIVERED

Maersk Supply Service has taken delivery of the last of four DP3 MT 6027-designed subsea support vessels from the COSCO shipyard in Dalian, China. The final Stingray-class vessel has been named as Maersk Implementer. All four vessels have been built to undertake operations in both deep and shallow water in challenging offshore environments. The vessels are equipped with a 400-tonne active heave compensated crane and two work-class ROVs capable of operating in water depths of up to 3,000m. They are

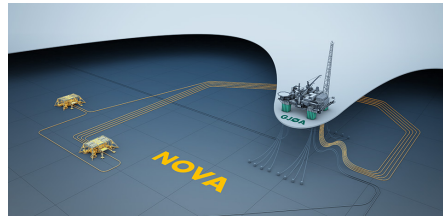
outfitted with accommodation for 120 persons in single cabins. The three prior sister vessels are the Maersk Inventor, Maersk Installer and Maersk Involver. The Inventor was delivered in February 2018, while the Installer and Involver were delivered in October and November 2017 respectively.

Back in July 2017, Maersk Supply secured a contract with Subtec S.A de C.V. of Mexico, a subsidiary of Blue Marine Group, for one of its Stingray vessels. The Stingray vessel will be operating in the Bay of Campeche per-

forming general support duties, including IRM and maintenance of Pemex's platforms as well as enhancement and well stimulation. The contract will commence in autumn 2018 with a firm duration until June 2020.



## WINTERSHALL ISSUES NOVA PDO



Wintershall has filed a plan for development and operation (PDO) for the Nova field in the Norwegian North Sea.

The PDO of the Nova field,

which is expected to cost around USD 1.2 billion, is the first PDO submitted in 2018 for the Norwegian Continental Shelf. The field will be developed via a subsea tie-back connecting two templates to the nearby Gjøa platform for processing and export. Gjøa will also provide lift gas to the field and water injection for pressure support.

Power for the Nova field comes from shore via the Gjøa platform. The Nova field is estimated to contain around 80 million barrels of oil equivalent (boe) of recoverable reserves. Start-up is expected in 2021 on the basis that Wintershall's partners - Capricorn, Spirit Energy, Edison and DEA - approve the plan.

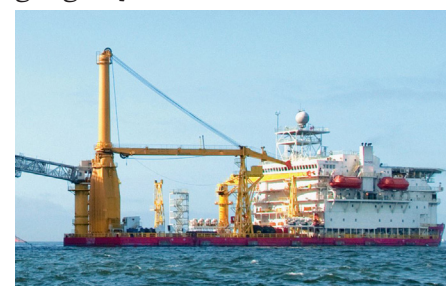
## TELFORD SECURES GOM CAMPAIGN

Protexa has awarded Telford Offshore a topsides, subsea and accommodation support services contract. Telford will utilise its DP3 multi-purpose offshore construction vessel Telford 31 for the campaign. The vessel is equipped with a 400t active heave-compensated subsea crane, with accommodation for up to 408 persons. Work has

already started on the Kab-C, PB-Litoral-T, PP-Maloob-B and D platforms in Pemex's Litoral de Tabasco and Ku-Maloob-Zaap oilfields in the Gulf of Mexico, with operations due to complete in October.

The 2011-built Telford 31 heavy lift vessel has 1,300m<sup>2</sup> of unobstructed deck space, with a deck load of 10t/m<sup>2</sup>. She is equipped

with a Marine Aluminium electric-hydraulic telescopic gangway.



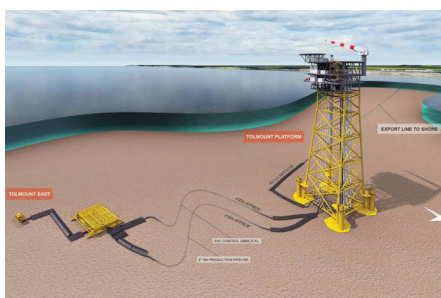
## DOF KEEPING BUSY IN AFRICA

DOF Subsea has received a contract extension for a vessel operating in West African waters from an undisclosed oil major. The extension period com-

menced in May 2018 and will last for nine months. IHS Markit has indicated that the extension is for the Aker OSCV 03-designed Skandi Seven, which has

been operating at Eni's Angolan Block 15/06 since February 2017. The 2008-built vessel is equipped with a 250t crane with accommodation for 120 persons.

## TOLMOUNT TO BE SANCTIONED IN 2018



Premier Oil has announced that it expects to sanction the Tolmount UK North Sea field development project in the second half of 2018. The operator is still targeting first gas during the fourth quarter of 2020, with paperwork

with contractors being finalised. In 2017, Premier announced a plan to develop the field via a standalone normally unmanned installation (NUI) and a new gas export pipeline to shore. The Tolmount gas field has estimated gross resources of 200Bcf - 1Tcf.

## MCDERMOTT TO PERFORM LUCIUS INSTALLATION

Anadarko Petroleum has awarded McDermott a contract to supply subsea umbilical and flowline installation in support of a tieback to the Anadarko-operated Lucius field in the US Gulf of Mexico. McDermott will provide the engineering, fabrication, instal-

lation and pre-commissioning of subsea infield flowlines, along with the production umbilicals and related subsea equipment. The Lucius field is located 275 miles southeast of Galveston. The Lucius Subsequent Development is a subsea tieback to the Anadarko-operated Lucius spar,

which is located in Keathley Canyon Block 875.



## BIBBY HAS SPIRIT AWARD

Bibby Offshore has been awarded a two-year fixed term framework agreement with Spirit Energy. Under the agreement, Bibby will carry out IMR work, ROV inspection and subsea survey operations across a number of North Sea structures and pipelines. This new agreement follows on from a previous five-year agreement, and Bibby will utilise the DSV Bibby Sapphire, a Quasar MKII work-class ROV and two

Seaye Lynx observation-class ROVs for the campaign. Additionally, Bibby Offshore has secured a multi-million pound IMR contract with an undisclosed operator in the North Sea. Bibby will utilise one or two DSVs for the campaign, with the ST-256L-designed Bibby Topaz acting as the main vessel, and the 1999-built Bibby Polaris also available for use if she is required for a support role on the project. Engineering work has already

started and the offshore scope of the contract will be executed in two phases, with the first phase commencing in the second quarter of 2018, and the second phase beginning in the third quarter of this year.



# RENEWABLES

## BIBBY LOOKS TO THE HORIZON



Bibby Marine has named the second Service Operation Vessel (SOV) it has recently ordered with Damen Shipyards Galati in

Romania. The Bibby Wavemaster Horizon is due to be delivered in August 2019, and she has already been awarded a 10-year contract with Siemens Gamesa and EnBW. Siemens Gamesa will utilise the vessel for the first five years, with EnBW taking over for the second five year period. The vessel will support operations and maintenance work from summer 2019 until 2029.

Unlike her sister vessel, the Bibby Wavemaster 1, the Horizon will be equipped with an SMST integrated stepless gangway and a 3D motion compensated crane solution, along with a daughter craft from Mare Safety. SMST will deliver the equipment during the second quarter of 2019. The Wavemaster 1 is equipped with an Uptime motion compensated gangway and an adjustable pedestal.

## ØRSTED INTERESTED IN TAIWAN

Ørsted has stated that it will participate in the June auction in Taiwan to seek more capacity for constructing large-scale Greater Changhua offshore wind farms. Ørsted has already secured 900MW capacity during the recent Feed-in-Tariff grid allocation process and is now looking to add to this. The four offshore wind farms Ørsted is

developing off Changhua have a combined capacity of 2.4GW. The upcoming process will add 2GW more to Taiwan's offshore wind pipeline, bringing the total to around 5.8GW.

In addition to this announcement, Ørsted has also recently made a Final Investment Decision for the 120MW Formosa 1 Phase 2, with construction to



take place in 2019. The Taiwanese government has established a 20% renewables target by 2025.

## SIEMENS CHARTERS SEAJACKS ZARATAN



Siemens Gamesa has awarded Seajacks a contract to install 20 6MW turbines at the Formosa 1 Phase 2 offshore wind farm in Taiwan. This will be Seajacks' first

renewables contract outside of Europe, and they will utilise the 2012-built installation vessel Seajacks Zaratan during the second quarter of 2019 for the installation of the twenty SWT-6.0-154 wind turbines in the Taiwan Strait.

The installation contract is subject to a final investment decision and financial close, both of which are expected later this year. The Formosa 1 offshore wind farm will have a total capacity

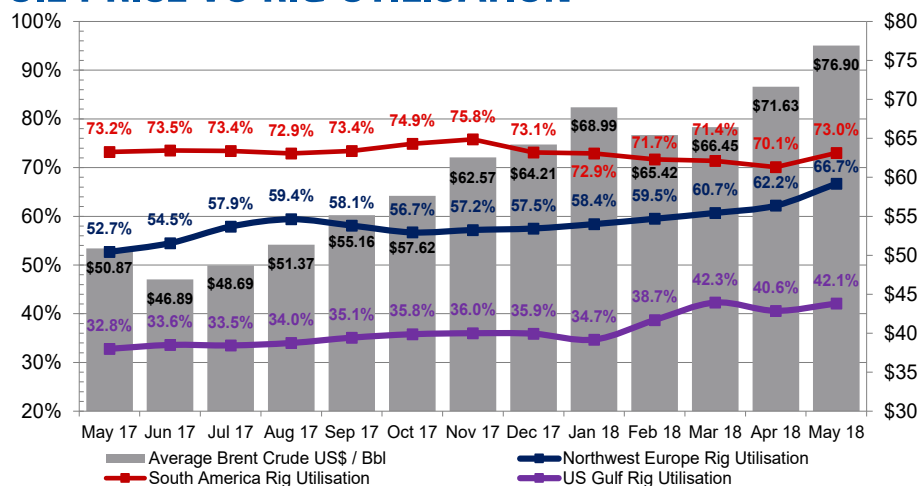
of 128MW once it is built and commissioned.

Phase 1 of Formosa 1 features two Siemens 4MW demonstration turbines, the first ever wind turbines to be installed off Taiwan.

Seajacks Zaratan, a 10,000-tonne GustoMSC NG5500C-designed jackup vessel, is equipped with an 800-tonne crane, deck space of 2,000m<sup>2</sup> and accommodation for 90 persons.

# RIGS

## OIL PRICE VS RIG UTILISATION



## NORTHERN ACQUIRING DRILLSHIPS

Northern Drilling is buying two drillships from the DSME yard in South Korea. The West Aquila and West Libra were originally ordered by Seadrill before being cancelled. Northern will pay USD 296 million for each unit, with

deliveries scheduled for the first quarter of 2021, although this can be brought forward. Northern has also been granted an option to acquire the Cobalt Explorer drillship (cancelled by Vantage Drilling) for USD 350 million.

## BORR BUYING MORE JACKUPS

Borr Drilling is buying five new-build jackups from Keppel FELS in Singapore. The KFELS B Class rigs will cost USD 745 million. The first unit will be delivered in the first quarter of 2019, with the next four delivered at quarterly

intervals thereafter. This will raise Borr's fleet to a total of 29 premium jackups, with 27 built after 2011 (the company recently entered into an agreement to sell 14 older jackups en bloc to a non-drilling company).

## RIG UTILISATION AND DAY RATES

UTILISATION	MAY 2018	MAY 2017	MAY 2016	MAY 2015	MAY 2014
NORTHWEST EUROPE	66.7%	52.7%	68.0%	90.1%	98.9%
SOUTH AMERICA	73.0%	73.2%	77.1%	89.5%	94.4%
US GULF	42.1%	32.8%	36.8%	51.4%	71.0%

RECENT DAY RATE BENCHMARKS	LOW (USD)	HIGH (USD)
UK HARSH HIGH SPEC JACKUPS	70,000	100,000
NORWAY HARSH HIGH SPEC JACKUPS	160,000	160,000
UK HARSH HIGH-SPEC SEMISUBS	130,000	130,000
NORWAY HARSH HIGH-SPEC SEMISUBS	160,000	200,000
GLOBAL ULTRA-DEEPWATER SEMISUBS	118,000	145,000
GLOBAL ULTRA-DEEPWATER DRILLSHIPS	130,000	150,000

### INACTIVE RIGS NORTHWEST EUROPE

NAME	TYPE	STATUS
BAUG	JU	COLD STACK
BIDEFORD DOLPHIN	SS	WARM STACK
BLACKFORD DOLPHIN	SS	HOT STACK
BORGLAND DOLPHIN	SS	WARM STACK
BRAGE	JU	COLD STACK
BREDFORD DOLPHIN	SS	COLD STACK
BYFORD DOLPHIN	SS	WARM STACK
COSLPROSPECTOR	SS	WARM STACK
EIR	JU	COLD STACK
ENSCO 70	JU	COLD STACK
ENSCO 71	JU	COLD STACK
MAERSK GALLANT	JU	WARM STACK
MAERSK GIANT	JU	WARM STACK
MAERSK REACHER	JU	WARM STACK
MAERSK RESOLUTE	JU	HOT STACK
POLAR PIONEER	SS	COLD STACK
PROSPECTOR 5	JU	WARM STACK
RAN	JU	WARM STACK
ROWAN NORWAY	JU	WARM STACK
ROWAN STAVANGER	JU	WARM STACK
SCARABEO 5	SS	COLD STACK
SEDCO 711	SS	COLD STACK
SEDCO 714	SS	COLD STACK
SERTA0	DS	COLD STACK
SONGA DEE	SS	COLD STACK
SONGA DELTA	SS	COLD STACK
SONGA TRYM	SS	COLD STACK
SWIFT 10	JU	WARM STACK
WEST ALPHA	SS	COLD STACK
WEST EPSILON	JU	COLD STACK
WEST NAVIGATOR	DS	COLD STACK
WEST VENTURE	SS	COLD STACK
WILHUNTER	SS	COLD STACK
WILPHOENIX	SS	HOT STACK

Source: IHS-Petrodata

# CONUNDRUM CORNER, DUTY PHONES

## TRANSOCEAN BUYS RIGEL STAKE

Transocean, through a joint venture with funds managed and/or advised by Hayfin Capital Management LLP, has purchased a 33% interest in the West Rigel, a newbuild harsh environment semisubmersible drilling rig. The total purchase price for the rig, which is being built at the Jurong Shipyard in Singapore, is USD 500 million.

The West Rigel, originally ordered by Seadrill, will be renamed Transocean Norge, with Transocean possessing the exclusive right to market and operate the rig. Delivery is slated for the fourth quarter of 2018, with the Moss Maritime CS60 unit available to charter from the first quarter of 2019.

This is another sign of growing confidence for the harsh environment semi market, with Ocean Rig also announcing plans to reactivate cold-stacked semi Eirik Raude (via subsidiary Valiant Offshore) for an estimated cost of USD 110 million.

## CONUNDRUM CORNER

The answer to last month's teaser :-

3 and 6 = 918  
5 and 2 = 710  
1 and 8 = 98

What does 4 and 4=?

The correct answer was :- 816 - add the numbers together first (4+4=8) then multiply the numbers (4x4=16). Put the answers together for 816.

This month, our poser is as follows:

Pair the words below to give three longer words.  
What are they?

PRINT ART OUT REST DOOR FOOT

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

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