

# SEABREEZE

THE SEABROKERS MONTHLY MARKET REPORT

MAY 2020

## RUSH FOR LAYUP STARTING TO EASE IN NORTH SEA



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The Seabreeze Monthly Market Report is distributed worldwide through our offices in Aberdeen, Stavanger and Rio de Janeiro.

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# OSV MARKET ROUND-UP

## VESSEL LAYUPS EASE OFF IN NORTH SEA

More than 40 OSVs have been laid up in Northwest Europe in the space of 10 weeks. That is a more dramatic response to the market downturn than any of us realistically expected.

If owners are to glean any positives from recent events, it might be that the flood of vessels going into layup slowed to more of a trickle in the second half of May, and there were also a few units reactivated for term charters. That is because the combined efforts of owners have moved the market into a slightly more balanced state and the vast oversupply of active vessels is nowhere near as severe as it was this time last month.

We have experienced periods of tightened availability on the spot market, albeit short lived, and there were even some days in May when the Norwegian AHTS sector was sold out. Let's not get carried away - demand levels this year have decreased at a dramatic rate, and the fact that more than 40 vessels have only recently gone into layup means there is a wide pool of idle supply that can quickly be reactivated if market conditions start to improve. However, the collective discipline shown by owners over the last few months may keep the market slightly more stable than it was during the previous downturn.

## SOLSTAD SIGNS RESTRUCTURING AGREEMENT

Solstad Offshore has entered into a Restructuring Implementation Agreement that will see NOK 10.9 billion (USD 1.1 billion) of debt converted into equity. The agreement also incorporates a new fleet loan that will mature after four years, while industrial shareholders will retain up to 33.34% ownership of Solstad.

The agreement has been entered into with a majority of the key stakeholders although three financial providers have not yet signed up. As part of the restructuring, Solstad's fleet will be refocused, with 37 of the company's older and less sophisticated vessels to be sold or scrapped. The long-term plan is based around a core fleet of around 90 vessels.

Solstad will by no means be the only OSV owner to go through a financial restructuring this year, as investors come to terms with the impact of Covid-19 and the dramatic effect it has had on the offshore market. In other examples, Hornbeck Offshore has formally filed for Chapter 11 bankruptcy protection, while Siem Offshore has entered into an agreement with secured lenders in Europe and Norway to defer 100% of its principal and interest debt payments until April 30, 2021. Similar discussions are ongoing with Siem's secured lenders in Brazil and Canada, with the standstill agreement in Europe contingent on an agreement being reached with the Brazilian and Canadian banks.

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## HISTORIC CO2 STORAGE INVESTMENT

Equinor, Shell and Total have made a historic investment decision for the transport and storage of CO2 on the Norwegian Continental Shelf, with the partners planning to establish a joint venture company for the project. The initial investments will total NOK 6.9 billion (USD 712 million).

The Northern Lights project has been given the green light, with a plan for development and operation handed over to the Ministry of Petroleum and Energy. The project is viewed

as a first step in the creation of a value chain for Carbon Capture and Storage, which is vital if the global climate goals from the Paris Agreement are to be met.

This concludes the study phase, where a successful confirmation well was recently drilled in the northern North Sea, some 100km west of Bergen. The project will be developed in further phases. Phase 1 will include the capacity to transport, inject and store up to 1.5 million tonnes of CO2 per year. This phase is expected to be operational in 2024.

# OSV MARKET ROUND-UP

## RUSSIA CONTRACTS FOR NORTH SEA VESSELS

The summer drilling season in Russia is fast approaching and a raft of North Sea vessels have been chartered to work in the Arctic alongside some additional Russian-owned vessels.

FEMCO has awarded 80-day firm contracts to Viking Supply Ships for AHTS vessel Magne Viking; Rem Offshore for PSVs Rem Arctic and Rem Cetus; and Solstad Offshore for PSVs Normand Serenade, Normand Surfer and Sea Spear. FEMCO is working alongside Rosneft for drilling operations with COSL semi Nanhai 9 in the Kara Sea.

Separately, MAGE has awarded 90-day firm contracts to Siem Offshore for AHTS vessel Siem



Normand Serenade (c/o O. Halland)

Pearl; Solstad Offshore for AHTS vessel Far Sigma and PSVs Normand Sitella and Normand Supra; Sverre Farstad for PSV Farland; Vestland Offshore for PSV Solvik Supplier; and Wilson Offshore for PSV Wilson Baltic

and MPSV Ocean Zephyr. MAGE is working alongside Gazprom for drilling operations with COSL semi Nanhai 8, also in the Kara Sea. Sevnor AHTS Sayan Lord has also been fixed by Gazprom for work this year.

## EQUINOR KEEPS CLIPPER



Island Clipper (c/o G. Sandersen)

Equinor has extended its contract with the Island Clipper until spring 2023. The Island Offshore vessel was earlier chartered for a firm period of three years from April 2019 but an additional year has now been added to the firm period.

Following the initial award of the contract, the Clipper was equipped with a battery package, shore connection compatibility and a walk-to-work gangway which can be mobilised at short notice. The Island Clipper is a 2015-built UT 776 CD vessel.

## APACHE RETAINS VROON TRIO

Apache has awarded Vroon Offshore one-year contract extensions for a trio of ERRVs. The VOS Faithful is now firmly committed until June 2021, while the VOS Seeker and VOS Endeavour are fixed up until October 2021. All three contracts

come with further options. The VOS Faithful, Endeavour and Seeker are Group B ERRVs; the Faithful was delivered by Jiangsu Island in China in 2014, while the latter two were delivered by Astilleros Zamakona in Spain in 2009-2010.



VOS Faithful (pictured c/o O. Halland)

# OSV MARKET ROUND-UP

## SPIRIT SELECTS PSV SUPPORT

Spirit Energy has recently awarded contracts for PSVs to support two simultaneous rig programmes offshore the UK and Norway.

In the UK sector, Spirit has chartered the Grampian Talisker from North Star Shipping for a period of circa 90 days. The IMT 978 PSV has left the North Sea spot market to undertake this charter. She is supporting Spirit's P&A campaign with Borr Drilling jackup Ran in the East Irish Sea.

Up in Norway, Spirit has fixed up the Stril Polar from Simon Møkster Shipping on a one-well plus one-well option contract.



Grampian Talisker (pictured c/o C. Reid)

The vessel will be providing support for Spirit's drilling campaign with Transocean semisubmersible Leiv Eiriksson, where a wildcat well is being drilled in PL 719 in the Barents

Sea, around 60km west of the Wisting discovery. Another Møkster PSV, the Stril Mar, had earlier been fixed up on an equivalent contract to support the same drilling programme.

## LONG-TERM EXTENSIONS FOR LNG PSVs



Harvey Liberty

Harvey Gulf International Marine has secured 18-month contract extensions for two of its LNG-fuelled PSVs. The Harvey Freedom and Harvey Liberty are now contracted to Shell in the US Gulf well into 2022. Harvey Gulf has indicated that each vessel should produce

EBITDA returns north of 50% on an annual basis for the company. Built to the STX SV310 DF design, the Harvey Freedom and Harvey Liberty are sister vessels. The dual-fuel PSVs have a length of 94.5m, breadth of 19.5m, deck area of 974m<sup>2</sup> and a deadweight of circa 5,400 tons.

## LEOPARD PROWLING THE MED

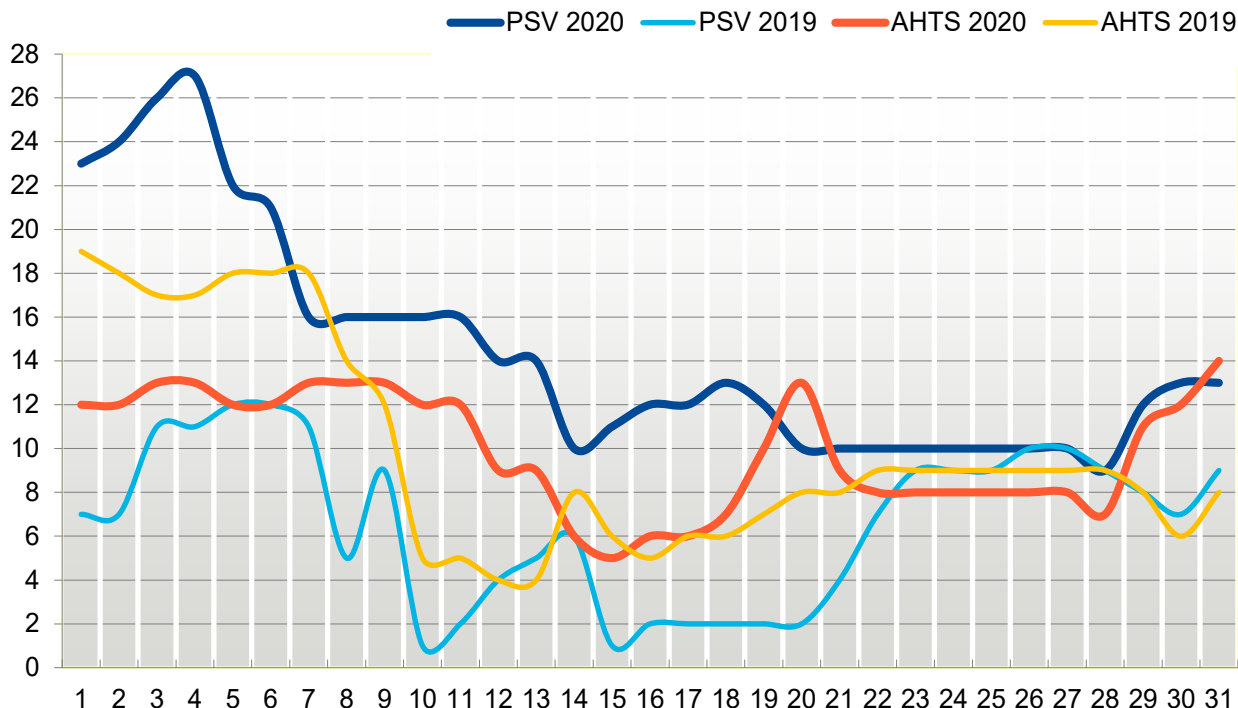
Opielok has managed to get PSV OOC Leopard back to work in the Mediterranean Sea following a brief idle period. The vessel has been fixed up for 60 days to perform geophysical survey duties. While Opielok has not disclosed the client or location,

it is understood that the work scope will take place offshore Libya, with the vessel recently plotting a course for Mellitah Oil & Gas' Sabratha platform. The OOC Leopard is a 2012-built PSV with a length of 73.9m, breadth of 16.0m and deck area of 670m<sup>2</sup>.



# OSV RATES & UTILISATION

## MAY 2020 - DAILY NORTH SEA OSV AVAILABILITY



## RATES & UTILISATION

### NORTH SEA SPOT AVERAGE UTILISATION MAY 2020

TYPE	MAY 2020	APR 2020	MAR 2020	FEB 2020	JAN 2020	DEC 2019
MED PSV	42%	66%	63%	59%	66%	67%
LARGE PSV	50%	58%	74%	65%	80%	68%
MED AHTS	38%	51%	38%	13%	62%	51%
LARGE AHTS	55%	67%	57%	36%	63%	62%

### NORTH SEA AVERAGE RATES MAY 2020

CATEGORY	AVERAGE RATE MAY 2020	AVERAGE RATE MAY 2019	% CHANGE	MINIMUM	MAXIMUM
SUPPLY DUTIES PSVs < 900M <sup>2</sup>	£3,751	£14,573	-74.26%	£2,250	£6,836
SUPPLY DUTIES PSVs > 900M <sup>2</sup>	£4,370	£15,422	-71.66%	£2,000	£8,847
AHTS DUTIES AHTS < 22,000 BHP	£10,745	£21,629	-50.32%	£5,000	£20,107
AHTS DUTIES AHTS > 22,000 BHP	£13,100	£26,482	-50.53%	£4,021	£30,000

## SPOT MARKET ARRIVALS & DEPARTURES - MAY 2020

### ARRIVALS - NORTH SEA SPOT

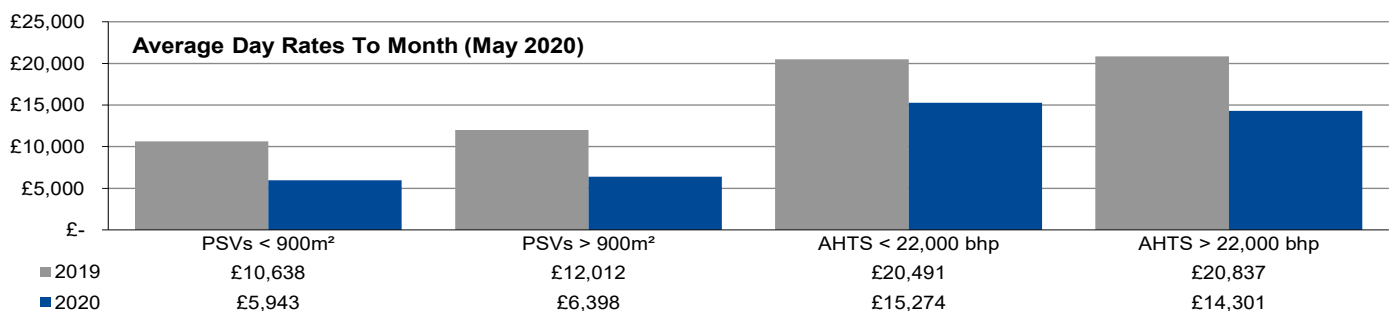
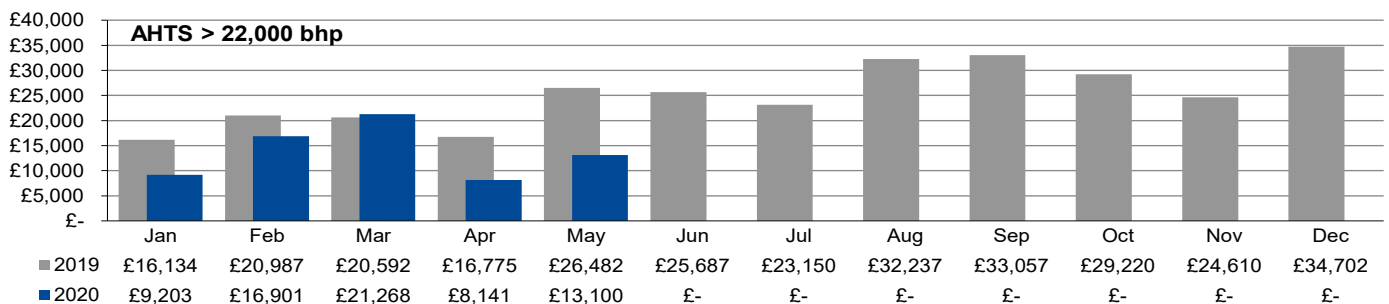
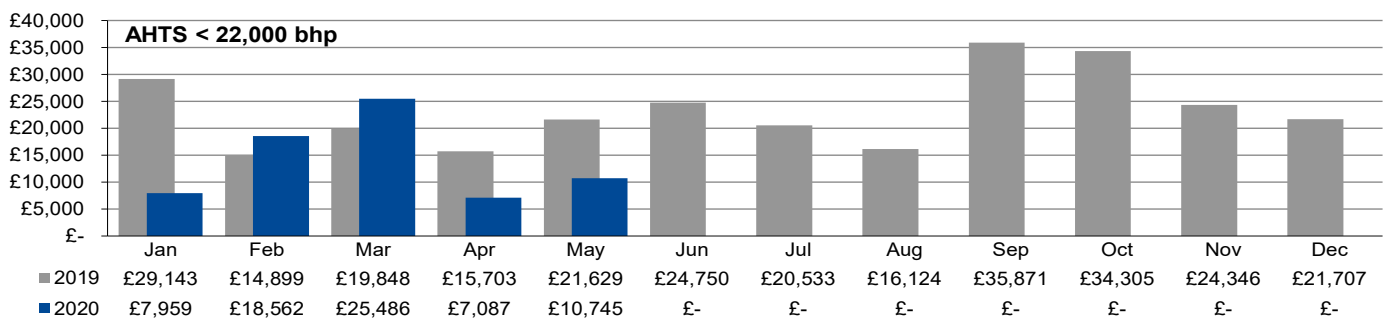
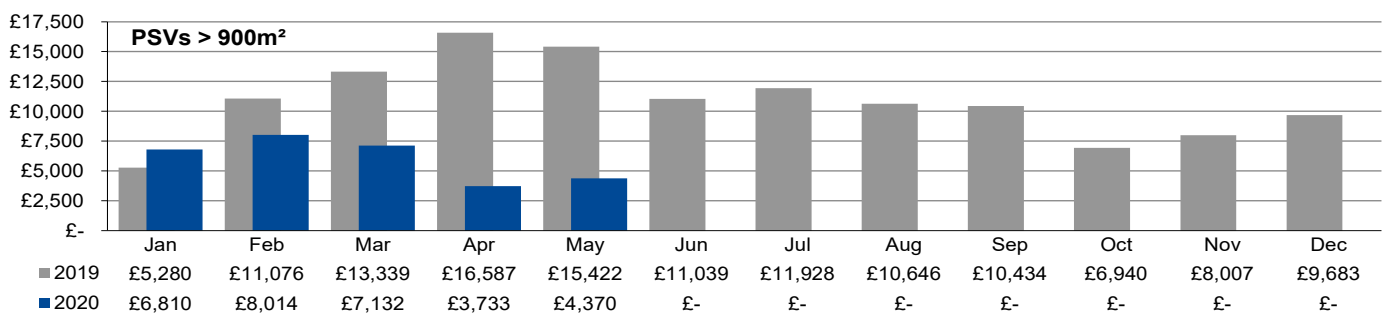
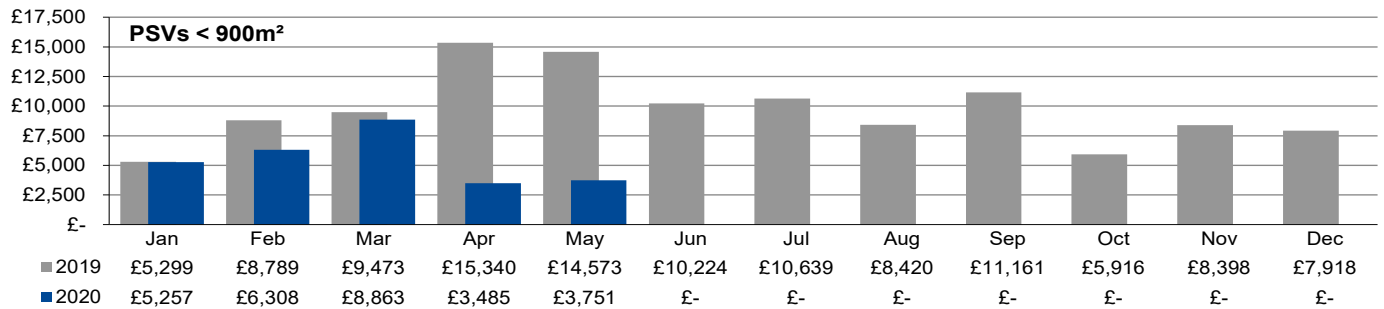
MAERSK MAKER EX CANADA

SOVEREIGN EX SOUTH AMERICA

### 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

## SEACOR ANDES



Seacor Marine has mobilised its newbuild PSV Seacor Andes to Singapore following her recent delivery from the COSCO Zhoushan Shipyard in China.

This is the second in a series of three sister vessels that COSCO has been building for Seacor, following the earlier delivery of the Seacor Alps last October. The final vessel, the Seacor Atlas, is also expected to be delivered this year.

The three vessels, built to the UT 771 CDL design, were originally ordered as part of a four-PSV deal for the East Sunrise Group but only one unit was actually delivered to the intended owners. The other three were

acquired by Seacor Marine in January 2019 for a total price of around USD 46 million.

The vessels have a length of 83.8m, breadth of 18.0m and a deadweight in excess of 3,800t. They have a deck area of 875m<sup>2</sup>.

The trio are powered by four main MTU 12V4000M23S engines, providing a total output of 7,402 bhp. They each have an accommodation capacity for 46 persons in a combination of one, two and four-berth cabins.



### SEACOR ANDES SPECS:

**Yard:** COSCO Zhoushan, China  
**Design:** UT 771 CDL PSV  
**LOA:** 83.8m  
**Breadth:** 18.0m  
**Deadweight:** 3,857t  
**Deck Area:** 875m<sup>2</sup>  
**Accommodation:** 46 persons  
**Main Engine Output:** 7,402 bhp  
**Economic Speed:** 10.0 knots  
**Eco Consumption:** 7.3m<sup>3</sup>/day



# NEWBUILDS, CONVERSIONS, S&P

## TWO ULSTEIN NEWBUILDS DELIVERED IN CHINA

The first two of four Ulstein PX 121 PSVs have been delivered to SinoOcean by Shanghai Waigaoqiao Shipbuilding (SWS) in China.

The deliveries of the Guo Hai Min Sheng and Guo Hai Min Xing will be followed later this year by sister vessels Guo Hai

Min Fu and Guo Hai Min Qiang. The original newbuild order was placed by Pacific Radiance. Instead, under the ownership of SinoOcean, all four vessels have been chartered to China Offshore Services Ltd (COSL) to support production operations offshore China.



Guo Hai Min Xing

## RETURN OF REM ARCTIC



Rem Arctic prior to Solstad ownership (pictured c/o O. Halland)

The Rem Arctic is back. Having originally been delivered as the Rem Arctic in 2015 under the ownership of Rem Offshore, the VS 485 MkIII PSV was renamed as the Normand Skude following the 2016 merger of Rem Offshore with Solstad. Now, Solstad has sold the vessel and she will soon

return to the market as the Rem Arctic under the management of the new Rem Offshore. Rem has already lined up a term contract for the vessel offshore Russia alongside stablemate Rem Cetus (see p.4). The Rem Arctic has just been put through her five-year survey at Myklebust Verft.

## FEMCO BUYS POSH PAIR

Russian owner FEMCO has recently acquired two sister AHTS vessels from POSH Semco. The POSH Constant and POSH Conquest, renamed as Vengery and Venie respectively, are currently heading towards Murmansk from Singapore with arrivals scheduled for mid-June.

The Vengery and Venie are both 10-year old vessels that were built to the Havyard 842 design. They have a length of 74.5m, breadth of 17.2m and a deck area of 500m<sup>2</sup>. They have a total engine output of 16,600 bhp, providing a bollard pull of circa 200 tons.



Vengery (ex POSH Constant)

## BRIDGEWATER UPGRADES AHTS FLEET



Salveritas (Bridgewater 163)

Bridgewater Offshore, a joint venture between Kim Heng Offshore and private equity investors, has upgraded its offshore fleet via the acquisition of two AHTS vessels from a liquidation sale. The Salveritas and Salviceroy, to be renamed as Bridgewater 163 and 168, were

previously owned by POSH Terasea. The 2007-built vessels have a bollard pull of 150-160t. Meanwhile, Bridgewater also recently offloaded one of its smaller anchor handlers. The 2004-built Bridgewater 80 was sold to undisclosed buyers for USD 1.85 million.

# NEWBUILDS, CONVERSIONS, S&P

## TIDEWATER LOOKING TO DIVEST MORE TONNAGE



When Tidewater released its first quarter results, the company revealed that 46 lower specification vessels had been identified for disposal this year as part of an effort to 'high grade' its fleet. Since then, market

conditions have dramatically changed. Tidewater is holding its divestiture target at USD 39 million for 2020 but has now acknowledged that it may have to divest more than the intended 46 vessels to achieve that target.

## KARADENIZ PICKS UP ANOTHER OSV

The Karadeniz Group has bought another OSV for conversion into a powership. The Turkish owner recently acquired the 2012-built Crest Angelica from Pacific Radiance and she will now be modified into a vessel with fully

integrated power plants that can supply electricity to shore. The Crest Angelica, renamed as Karadeniz Powership Alper Bay, has a deadweight of nearly 7,000t and a deck area of more than 1,600m<sup>2</sup>.



## GUANGXIN RESELLS PSV PAIR



Guangxin Shipbuilding in China has entered into an agreement with Tianjin Zhihai Shipping for the resale of two PSVs that had initially been ordered by Indian company Tag Offshore. The 78m vessels, which have

both been built to the Focal 522 design, are scheduled for delivery during the third quarter of 2020. They became available for resale after the intended owners Tag Offshore went into a liquidation process.

## US GULF PSVs SOLD OUT OF MARKET

Two small PSVs in the US Gulf have recently been sold to owners outside the offshore sector.

Aries Marine has sold the 1983-built Elsa Leigh to Bahamas-based Cat Island

Mail Company, with the vessel renamed as Bruce Mail. Meanwhile, Southern States has sold the 1999-built Southern Quest to Panama-based Servitec Steam Ship, with this vessel renamed as VI Quest.



Elsa Leigh (Bruce Mail)

## RECENT DELIVERIES OF NEWBUILD OSVs

NAME	TYPE/DESIGN	OWNER / MANAGER	COMMITMENT
GUO HAI MIN SHENG	ULSTEIN PX 121 PSV	SINO-OCEAN	FAR EAST
GUO HAI MIN XING	ULSTEIN PX 121 PSV	SINO-OCEAN	FAR EAST
SEACOR ANDES	UT 771 CDL PSV	SEACOR MARINE	TBC

## SUBSEA MARKET ROUND-UP

The main focus of last month's commentary was the trend of project delays or cancellations. Despite a marginal recovery in oil prices in May, this trend has continued but we have also experienced a renewed focus on decommissioning projects. Being able to secure vessels for these decom campaigns while rates are low will ultimately reduce the overall cost of the project. The UK authorities have approved CNR's plan for the removal of the Petrojarl Banff FPSO and Apollo Spirit FSO from the Banff and Kyle fields in the Central North Sea. With production rates at both fields on the decline, CNR has found that continued production would become uneconomical

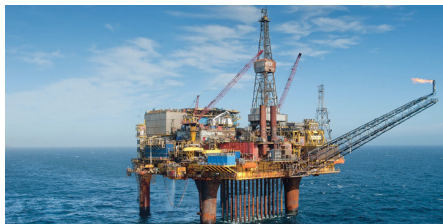
during 2020. The field partners had been investigating various alternative production strategies to further extend the life of the fields, but no viable alternative has been identified. Some of the options included near-field tie-back opportunities, the de-bottlenecking of the Kyle field and further development drilling.

The removal of the FPSO and FSO form part of a wider Banff and Kyle decommissioning plan. This will be carried out in three distinct phases over the course of five years. The first phase covers the removal of the FPSO and FSO vessels, while the second and third phases will cover the decommissioning of the subsea installations and

pipelines, along with well plug and abandonment.

This approval only addresses Phase 1, which is currently planned for the summer of 2020. This will involve the flushing and cleaning of the FPSO, FSO and subsea production systems, the implementation of required isolations, removal of the FPSO and FSO, as well as the removal of buoyant flexible pipelines and vessel mooring infrastructure. The remaining phases associated with the Banff and Kyle decom will be covered by their own programmes. To remind, CNR decided to extend the charter for the Petrojarl Banff FPSO back in May 2019 to keep it working on the fields until the end of August 2020.

## MAERSK TO WORK ON DUNLIN ALPHA REMOVAL



Fairfield Betula Limited has awarded Maersk Supply Service a contract for the removal of the

Dunlin Alpha platform's subsea conductors and guide frames. Maersk will remove four 30 inch jacket-mounted drilling conductors and two associated conductor guide frames using one of their four I-class vessels: Maersk Implementer, Maersk Installer, Maersk Inventor or

Maersk Involver. All four vessels are equipped with a 400-tonne crane, DP3 and accommodation for 120 persons.

Project management and engineering will commence this year, with offshore execution currently scheduled for 2022 or 2023.

## POLAR KING CHARTER EXTENDED

Nexans Skagerrak has extended its contract with GC Rieber Shipping's IMR support vessel Polar King by a further two months. The charter, which initially started in January 2017, is now firm until September 2020.

The vessel has been conducting cable lay support and trenching worldwide, but is also capable of carrying out IMR duties. The Polar King has a 150-tonne active heave compensated crane, two work-class ROVs and accommodation for 112 persons.



## TOTAL JOINS O/G DECARB PROJECT

While several operators are looking at reducing their costs for decommissioning projects, some are also investigating ways to introduce renewable energy to power offshore platforms. With that in mind, Total has joined the O/G Decarb project exploring the possibility of using combined wind and wave

technology from a floating foundation to store energy and convert electricity into hydrogen via electrolysis. As well as ensuring that the production platform has access to a stable source of renewable energy, the project will also examine whether it would be possible to integrate any surplus production

of hydrogen into gas that could be sent ashore. Other partners in the O/G Decarb include Floating Power Plant A/S, the Danish Hydrocarbon Research and Technology Centre, DTU Wind, Hydrogen Valley, the Danish Gas Technology Centre and Technip FMC. The project will run until the end of 2020.

## SUBSEA 7 SECURES CORE EPCI CONTRACT

Independent Oil and Gas has awarded an EPCI contract to Subsea 7 covering the subsea scopes at its Core Project in the UK Southern North Sea. The workscope includes project management, engineering, procurement, construction and

installation of 35km of flowlines between the Southwark, Blythe and Elgood fields, as well as the subsea structures, an umbilical, and associated subsea tie-ins. The project management and detailed engineering have already commenced, while

offshore activities are scheduled to start during the second half of 2020. This contract follows the recent approval of the Phase 1 Field Development Plan by the UK Oil and Gas Authority. First gas from the development should flow in July 2021.

## MIXED FORTUNES FOR DOF



DOF Subsea experienced mixed fortunes during May after Subsea 7 terminated its two-year contract

with the OCV Skandi Acergy after declaring a 60-day notice period. The Skandi Acergy will return to DOF's pool of vessels on July 1, 2020. DOF states that it is entitled to a termination fee. Meanwhile DOF also secured a new contract with an undisclosed international charterer for the Skandi Skansen (pictured). It has been suggested that the end client

is Subsea 7 but this has yet to be confirmed. The 2011-built vessel will carry out a ploughing scope of work with commencement scheduled for later this year. Separately, a second undisclosed client has also chartered one of DOF's construction vessels for a six-month campaign, with options available to extend the contract by up to 12 months.

## MMT KEEPS DEEP HELDER

MMT has awarded SeaMar a new six-month contract to extend its charter with the 2014-built IMR support vessel Deep Helder. The DP2 vessel has a length of 64.8m and a deck area of 500m<sup>2</sup>, and she is equipped with a 20t

crane, inspection and work-class ROVs and accommodation for 50 persons. She is also part of a pool vessel agreement between MMT and Reach Subsea. The six-month extension will commence in July 2020. MMT has recently relocated

the Deep Helder to Massachusetts to carry out wind-farm work.



## SOLSTAD SECURES TERM CONTRACTS FOR DUO

Solstad has recently secured two new term contracts for its 2001-built IMR vessel *Far Saga* and 2007-built OCV *Normand Energy*.

Petrobras has awarded Solstad a three-year contract to retain the services of the Brazilian-flagged *Far Saga*. The vessel is equipped with a 100t crane, two work-class ROVs and accommodation for 63 persons.

Petrobras will continue to use the vessel to support its exploration and production activities on the

Brazilian continental shelf. The new contract will commence during the third quarter of 2020. The *Far Saga* has been operating in Brazil since 2014.

Meanwhile, an undisclosed client has chartered the OCV *Normand Energy* for a period of four to six months. The *Normand Energy* is equipped with a 250t crane and accommodation for 100 persons. This contract will commence during the latter stages of this quarter.

It is understood that the work

scope will be outside the oil & gas and renewables markets. The *Front Runner* publication has reported that this charter will likely be for DEME/GSR for seabed mineral mining work.



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

## SHELL CONTRACT FOR NORTRANS

Shell has awarded a contract to Singapore-based *Nortrans Offshore* and its partner in Nigeria to utilise the Nigerian-flagged IMR vessel *Prince Jameson I* (pictured).

The contract has an estimated duration of one to three months. The 86m vessel, built in 2017, is equipped with a 100t active heave compensated crane and accommodation for 100 persons.

Meanwhile, *Nortrans* also secured a floatel contract with *Noble Energy* for the *Alen Gas* field development off Equatorial Guinea. After completing the *Leviathan* project in January 2020, *Noble* once again selected the 2015-built DP3 floatel *Temis*. The vessel will support *Noble's* hook up and commissioning project commencing in the third quarter of this year. The

84m *Temis* is equipped with an accommodation capacity for 501 persons.



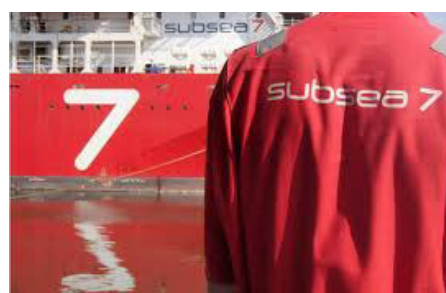
## SUBSEA 7 TO REDUCE FLEET SIZE

*Subsea 7* has publicised further details about its cost reduction programme. Firstly, *Subsea 7* has terminated its charter of the OCV *Skandi Acergy*. Over the next 12 months, the contractor plans to further reduce its fleet of 32 vessels by up to 10 vessels through the non-renewal of chartered tonnage and the stacking of owned assets. *Subsea 7* currently charters in eight

vessels, including the *Skandi Acergy*. *Subsea 7* already has the *Seven Phoenix* stacked and has removed the pipelay vessel *Seven Mar* from its fleet list as it is held for sale.

As part of a target to achieve USD 400 million in annualised cost savings from the second quarter of 2021, *Subsea 7* has also confirmed that it will reduce its global headcount by

3,000 employees (25%). Capital expenditures will also be reduced to minimal levels in 2021 and 2022.



# RENEWABLES

## ONGC TO EXPAND RENEWABLE FOOTPRINT

ONGC and NTPC Ltd have signed a Memorandum of Understanding (MoU) to set up a joint venture company for the renewable energy business. The MoU will see both NTPC and ONGC explore the potential to establish offshore wind and other renewable energy projects in India and overseas, allowing

both companies to expand their footprint in renewable energy. ONGC's current renewable portfolio consists of 153MW of wind power and 23MW of solar. ONGC wants to add 10GW of renewable power to its portfolio by 2040. NTPC, India's largest power company, is aiming to develop

32GW of renewable energy projects by 2032 as it looks to expand its footprint in offshore wind and overseas renewable energy projects. NTPC has 920MW of installed renewable energy projects in its portfolio and around 2,300MW of renewable energy projects under construction.

## DOMINION TO DEVELOP JONES ACT VESSEL

A consortium led by Dominion Energy is developing a Jones Act compliant installation vessel for wind projects along the East Coast of the United States. The vessel would be equipped to handle all current turbine technologies as well as the

next generation turbine sizes of 12MW and above. Subject to funding by all the consortium participants, the vessel could enter service as early as 2023 to work on wind projects offshore the East Coast of the USA. Dominion Energy is already

developing the 2.6GW Coastal Virginia Offshore Wind (CVOW) project, as well as a 12MW pilot project with Ørsted.



## ESVAGT'S NEWBUILD SOVS DELAYED

Esvagt has agreed to delay the delivery of its three newbuild Havyard 831L SOVs from Norwegian shipyard Havyard. Esvagt has also contributed to an economic rescue package for the shipbuilder. The Danish company said the delivery delays come as a result of Havyard finding itself in "financial whirlwinds."

The three vessels are all being built for long-term contracts with turbine manufacturer MHI Vestas for the Moray East, Triton Knoll, and Borssele III and IV wind farms. The Moray East SOV had been scheduled for delivery in February 2021, with the Triton Knoll SOV also due in the first quarter of 2021. The Borssele III and IV SOV was

due for delivery during the third quarter of 2020. Esvagt has yet to provide an updated delivery schedule.



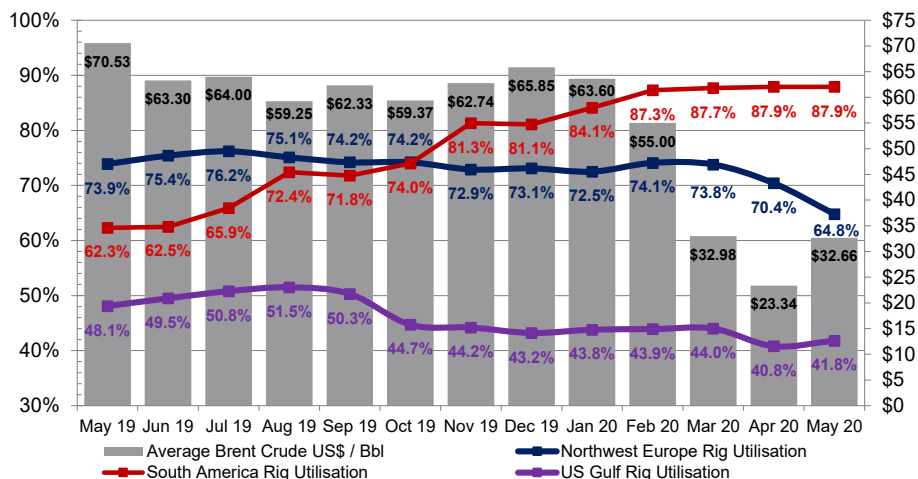
## ROVCO TO WORK ON EAST ANGLIA ONE

Rovco has been awarded a long-term contract with CWind for subsea work on the East Anglia ONE wind project offshore the United Kingdom. Rovco will provide subsea inspection and survey work

on all the subsea structures, including the maintenance of the wind turbine and substation foundations. The contract will utilise a combined DP2 vessel and CSV solution alongside a work-class ROV.

All 102 turbines are installed on the 714MW East Anglia ONE offshore wind farm, which will be fully commissioned later this year. First power was delivered to the UK grid in September 2019.

## OIL PRICE VS RIG UTILISATION



## TRANSOCEAN SCRAPPING TWO MORE RIGS

Transocean has announced plans to dispose of two more of its floating rigs. Harsh environment midwater semi Transocean 712 is to be recycled, while the company is evaluating whether to sell ultra-deepwater semi

GSF Development Driller II to a third party or whether to scrap her as well. The Transocean 712 is a 37-year old Earl & Wright S711 semisubmersible, while the GSF Development Driller II is a 15-year old ultra-deepwater rig.

## 900% RISE IN REMOTE RIG INSPECTIONS

Bureau Veritas has recorded a 900% increase in demand for remote inspection of offshore assets and equipment since the outbreak of Covid-19. Due to the risk of potential exposure to the coronavirus, in combination

with lockdown restrictions, requests for remote inspection, certification, examination and verification have escalated from a 'want' to a 'need'. Bureau Veritas is hopeful that this trend will continue beyond Covid-19.

## RIG UTILISATION AND DAY RATES

UTILISATION	MAY 2020	MAY 2019	MAY 2018	MAY 2017	MAY 2016
NORTHWEST EUROPE	64.8%	73.9%	65.6%	52.7%	68.0%
SOUTH AMERICA	87.9%	62.3%	68.1%	71.2%	77.1%
US GULF	41.8%	48.1%	42.1%	32.8%	36.8%

RECENT DAY RATE BENCHMARKS	LOW (USD)	HIGH (USD)
UK HARSH HIGH SPEC JACKUPS	65,000	75,000
NORWAY HARSH HIGH SPEC JACKUPS	274,000	280,000
UK HARSH HIGH SPEC SEMISUBS	200,000	200,000
GLOBAL ULTRA-DEEPWATER SEMISUBS	150,000	180,950
GLOBAL ULTRA-DEEPWATER DRILLSHIPS	220,000	250,000

INACTIVE RIGS NORTHWEST EUROPE		
NAME	TYPE	STATUS
BIDEFORD DOLPHIN	SS	WARM STACK
BLACKFORD DOLPHIN	SS	WARM STACK
BOLETTE DOLPHIN	DS	COLD STACK
COSLINNOVATOR	SS	WARM STACK
DEEPSEA BERGEN	SS	WARM STACK
DEEPSEA STAVANGER	SS	HOT 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
NOBLE SAM HARTLEY	JU	WARM STACK
NOBLE SAM TURNER	JU	WARM STACK
OCEAN VALIANT	SS	COLD STACK
PROSPECTOR 1	JU	WARM STACK
PROSPECTOR 5	JU	WARM STACK
SCARABEO 8	SS	WARM STACK
STENA SPEY	SS	WARM STACK
SWIFT 10	JU	COLD STACK
VALARIS JU-70	JU	COLD STACK
VALARIS JU-71	JU	COLD STACK
VALARIS JU-100	JU	COLD STACK
VALARIS JU-121	JU	WARM STACK
VALARIS JU-123	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

## EQUITY RAISE FOR BORR DRILLING

Borr Drilling has successfully completed an Equity Offering to raise gross proceeds of USD 30 million. The offering was substantially oversubscribed.

This process was initiated following discussions with Borr's creditors and shipyards in order to strengthen the company's liquidity position. Those discussions revolved around the deferral of certain yard commitments, adjustments in covenants, deferred amortisation and deferral of certain interest payments. In combination with the equity offering, the target is to improve Borr's liquidity until the beginning of 2022 by USD 315 million, and to lower its cash bareboat break-even rate to USD 20,000 per day until the end of 2021. That is calculated based on full selling, general and administrative expenses, plus stacking and cash interest costs. This is based on only 12 out of 23 of Borr's delivered drilling rigs being in operation.

## CONUNDRUM CORNER

**Last month's answer :-**

What numbers should replace the question marks?

A generous boy wanted to give sweets to his classmates. He offered 9 sweets to each boy and 12 sweets to each girl. One third of the boys in the class accepted the sweets but only one quarter of the girls had the sweets. If the boy gave out 87 sweets, how many classmates did he have?

The answer was :- 29 (21 boys and 8 girls).

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

What number should appear next in the following sequence?

4 5 5 7 14 17 51 55 ?

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