

# SEABREEZE

THE SEABROKERS MONTHLY MARKET REPORT

MARCH 2020

## DARK CLOUDS RETURN TO OFFSHORE SECTOR



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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

## NORTH SEA SPOT PSV RATES PLUMMET

The unprecedented impact of the coronavirus has already started to have a dramatic effect on the spot PSV market in the North Sea. With E&P companies striving to reduce costs and trying to minimise the risk of their employees being exposed to Covid-19, there has been an immediate slowdown in PSV demand on the spot market. There have also been substantial operational difficulties arising with crew changes becoming nigh-on impossible to complete in some cases.

As the month progressed, more and more vessels started to return to port following the completion of spot charters, to the point where there were no fewer than 25-30 PSVs prompt available on a daily basis through the final week of March (see p.7). Therefore, it was unsurprising to see fixture rates on the decline, with some owners despairing at the reality of having to fix away their vessels at rates of less than GBP 4,000 again. We all thought those days were behind us.

Some owners are assessing whether to reduce their spot market exposure by laying up tonnage. One thing is for sure: it would take a brave owner to commit to the costs of a five-year survey for any vessel whose class certificate is due to expire without a contract in place.

## SOLSTAD NEARS RESTRUCTURING AGREEMENT

Ever since the third quarter of 2018, Solstad Offshore has been working with its creditors to come to a consensual agreement for the financial restructuring of the company. The end may now be in sight, after Solstad revealed that “a large majority of the stakeholders... have established a common plan” for a financial reorganisation. The relevant stakeholders have confirmed their intention to enter into a binding agreement before the end of April 2020.

The restructuring would involve the conversion of NOK 10 billion (USD 970 million) of debt into equity. The Group’s financial structure will be simplified, and

apart from certain ring-fenced structures, the surviving secured debt will be included in a fleet loan maturing after four years.

Solstad’s fleet will be refocused, and 37 of the older and less sophisticated vessels are likely to be sold or scrapped over a period of time. The long-term business of the Group will be based on a core fleet of around 90 vessels.

The existing shares in Solstad would represent 0.4% of the restructured company, and the converted debt will represent at least 65-75% of the shares. The existing industrial shareholders will be invited to subscribe for the remaining shares.

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## SUCCESS AT CARBON CAPTURE WILDCAT

Looking at the positives from March, some excellent news did appear from Norway when Equinor announced successful results from its Northern Lights exploration well.

In partnership with Shell and Total, Equinor drilled the 31/5-7 Eos well to determine whether the reservoir in the Johansen formation would be suitable for CO2 storage. Initial results from the well have been positive, although further analysis is required. So far, the partners have proven a sealing shale layer and the presence of good quality sandstone in the reservoir. The

well was drilled to a total depth of 2,500m below the seabed.

If the Northern Lights project is sanctioned, the well will be used for the injection and storage of CO2. The partners’ plan was for a potential investment decision to be made in spring this year, although it remains to be seen whether recent developments will make that feasible.

Seadrill semisubmersible West Hercules was used to drill the wildcat well, 17.5km south-west of the Troll-A platform in the northern North Sea. This is some 100km west of Bergen.

# OSV MARKET ROUND-UP

## ISLAND SCOOPS SEVERAL DEALS

Island Offshore has had an extremely productive spell on the chartering front since the last edition of *Seabreeze* was published.

LNG PSVs *Island Contender* and *Island Crusader*, along with sister vessel *Island Commander*, have been awarded long-term contracts with Lundin Norway.

The *Contender* and *Crusader* have been chartered for periods of 400 and 600 days respectively, while the *Commander* has been contracted for a firm period of three years. Each fixture comes with further options. The *Island Contender* and *Crusader* will go on hire to Lundin between April and August this year, while the



*Island Contender*

*Island Commander* will begin her charter in November, in direct continuation of her current contract with the same charterer.

Island has also secured one-year extensions for the *Island Empress* and *Endeavour* with Peterson SNS, and the *Island Champion* with Team Marine.

## BOURBON AND SIEM ALSO LAND LUNDIN CONTRACTS



*Bourbon Mistral*

For the fixtures above, the *Island Crusader* will be supporting Lundin's drilling campaign with the *West Bollsta* for 10 wells, the *Island Contender* will support the *Rowan Viking* for seven wells, and the *Commander* will support drilling activities at

Edvard Grieg. In relation to this, Siem Offshore has been awarded a 10-well contract for the *Siem Symphony* to support the *West Bollsta* as well; and *Bourbon* has won a 100-130 day contract for PSV *Bourbon Mistral* to also support the *Rowan Viking*.

## SPIRIT SELECTS STRIL MAR

Simon Møkster Shipping has been awarded a one-well plus one-well option contract with Spirit Energy to provide the *Stril Mar* as a support PSV for Spirit's upcoming drilling campaign with Transocean semi *Leiv Eiriksson* in the Norwegian

sector. The rig is scheduled to go on hire to Spirit around late May/early June. The *Stril Mar* is a 2016-built UT 776 WP vessel with a deck area of 1,030m<sup>2</sup> and a deadweight of 5,000t. She is currently working on the North Sea spot market.



*Stril Mar* (pictured c/o O. Halland)



# OSV MARKET ROUND-UP

## FROST AND SKIPPER SATISFY EQUINOR...

In the UK sector, Equinor has evidently been impressed with the performance of Solstad Offshore PSVs Sea Frost and Normand Skipper.

Solstad was recently awarded contract extensions that will keep both vessels committed until at least January 2023, with a one-year option available to Equinor on both contracts.

The Sea Frost and Normand Skipper have been supporting Equinor's UK operations since July 2017 and January 2019.

The Sea Frost is a 2013-built Ulstein PX 105 PSV, while the Normand Skipper is a 2005-built VS 4420 PSV.



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

Also in the North Sea market, Solstad has picked up new contracts with Subsea 7 for PSVs Normand Service and Normand Titus to support a pipe-laying

operation for an estimated duration of eight to ten weeks. This project is scheduled to commence around mid-April 2020.

## ... WHILE AKER BP LIKES THE LADY



*Viking Lady (c/o H. Otneim)*

Just as Equinor appears content with the Sea Frost and Normand Skipper, Aker BP is evidently happy with the performance of the Viking Lady. Eidesvik has just picked up a new six-month contract extension for the PSV under the terms of a framework

agreement between the two parties. However, it has not all been good news for Eidesvik, after Ithaca UK gave notice that it would terminate its contract with the Viking Princess PSV at the end of April, some nine months early.

## ... AND DOF PSVs SATISFY CLIENTS

The performance of three DOF PSVs and their crews have also been appreciated in the North Sea, with three of the owner's PSVs retained by their current charterers. In the UK sector, CNOOC has awarded DOF a contract extension for the

Skandi Barra with an estimated duration of four months. This should keep the vessel busy until July. In the southern sector, Peterson SNS recently awarded one-year contract extensions to DOF for both the Skandi Captain and Skandi Texel.



*Skandi Captain (pictured c/o P. Gowen)*

# OSV MARKET ROUND-UP

## PROTECTOR FOR PREMIER



Hermit Protector (pictured c/o R. Paton)

Hermitage Offshore has picked up a new term contract for the Hermitage Protector, one of its Ulstein PX 121 PSVs.

Premier Oil has awarded the vessel a three-well contract with an estimated duration of five to six months, where she will be providing support for a drilling

campaign in the UK sector of the North Sea.

Premier Oil is preparing to commence the campaign with the Valaris JU-248 at the Catcher field in the central North Sea. The rig has recently returned to the North Sea from Central America.

## IRELAND FIXTURES FOR EVITA II & FS CARRICK

PSE Kinsale Energy has awarded contracts for two PSVs to provide support for its summer activities offshore Ireland.

Kinsale has chartered the Evita II for a firm period of five months with further options available thereafter. The Ugland PSV, operating under

the management of Vestland Offshore, is scheduled to go on hire in June to support Kinsale's decommissioning activities offshore Ireland. Kinsale has also recruited the services of Fletcher PSV FS Carrick for a firm period of 28 days with further options available.



Evita II (pictured c/o D. Dodds)

## HAVILA PSVs STAY WITH AXXIS



Havila Aurora (pictured c/o D. Dodds)

Havila Shipping has received contract extensions for two of its PSVs with Axxis Geo Solutions. The Havila Aurora has had her charter extended until the end of May, while the Havila Fortune is now committed until mid-June. The contracts for both vessels come with two further three-

month options. The vessels are currently in the Red Sea offshore Egypt.

The Havila Aurora and Fortune are sister vessels. Both were built to the MT 6009 MkII design and delivered in 2009. They have a deck area of 683m<sup>2</sup> and a deadweight of 3,205t.

## MALAYSIA GIG FOR FAR STREAM

Solstad has picked up a contract in Southeast Asia with "a major Malaysian operator" for its AHTS vessel Far Stream.

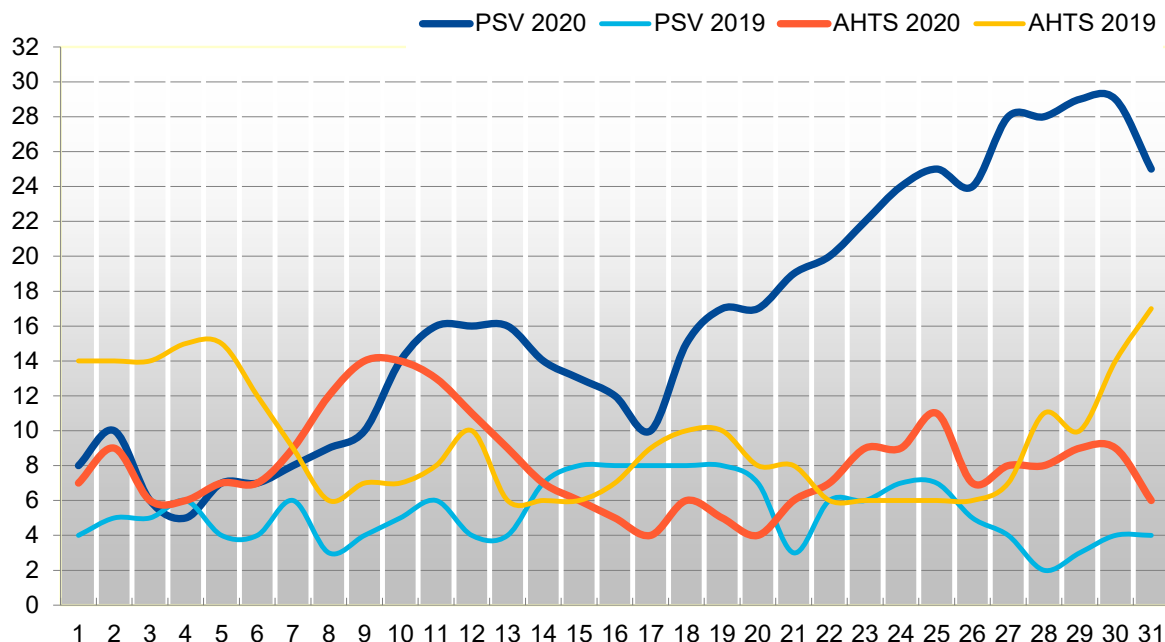
The vessel has been chartered to support a drilling campaign of six wells with an estimated firm duration of 285 days, with options to extend the contract

for 60 further days. This is understood to be with Petronas Carigali, in support of a drilling campaign which has just commenced with Transocean semisubmersible Deepwater Nautilus. The Far Stream is a 2006-built UT 712 L-designed AHTS vessel.



# OSV RATES & UTILISATION

## MARCH 2020 - DAILY NORTH SEA OSV AVAILABILITY



## RATES & UTILISATION

### NORTH SEA SPOT AVERAGE UTILISATION MAR 2020

TYPE	MAR 2020	FEB 2020	JAN 2020	DEC 2019	NOV 2019	OCT 2019
MED PSV	66%	63%	59%	66%	67%	62%
LARGE PSV	58%	74%	65%	80%	68%	63%
MED AHTS	51%	38%	13%	62%	51%	57%
LARGE AHTS	67%	57%	36%	63%	62%	69%

### NORTH SEA AVERAGE RATES MAR 2020

CATEGORY	AVERAGE RATE MAR 2020	AVERAGE RATE MAR 2019	% CHANGE	MINIMUM	MAXIMUM
SUPPLY DUTIES PSVs < 900M <sup>2</sup>	£8,863	£9,473	-6.44%	£3,500	£24,995
SUPPLY DUTIES PSVs > 900M <sup>2</sup>	£7,132	£13,339	-46.53%	£3,551	£12,250
AHTS DUTIES AHTS < 22,000 BHP	£25,486	£19,848	+28.41%	£14,312	£52,500
AHTS DUTIES AHTS > 22,000 BHP	£21,268	£20,592	+3.28%	£7,102	£45,372

## SPOT MARKET ARRIVALS & DEPARTURES - MARCH 2020

### ARRIVALS - NORTH SEA SPOT

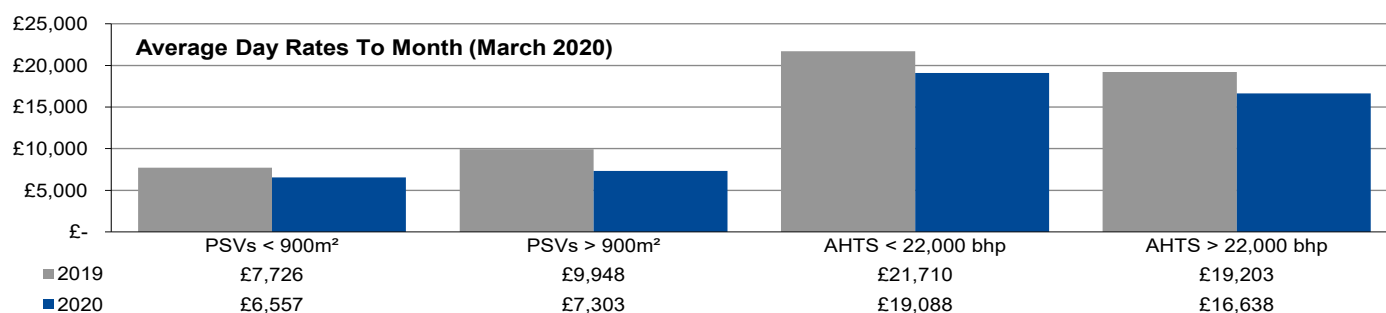
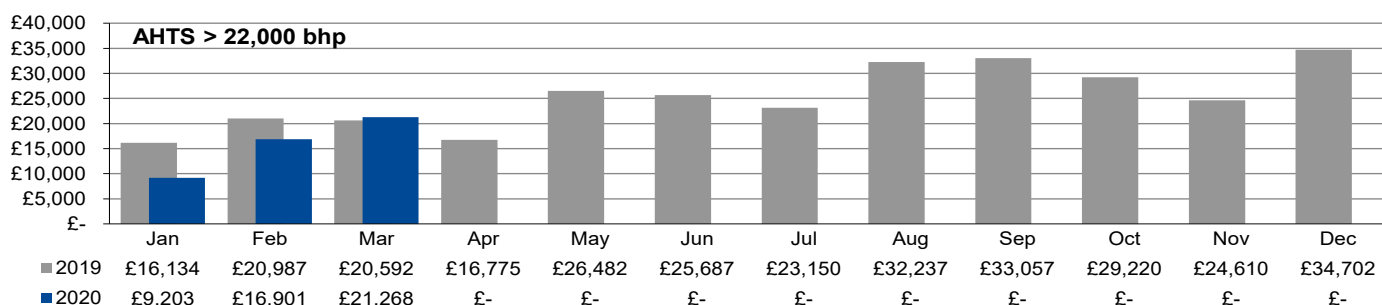
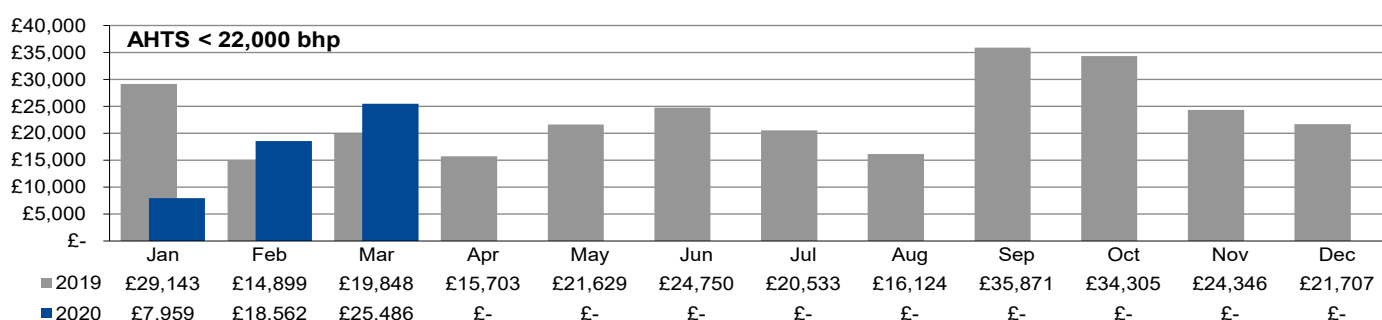
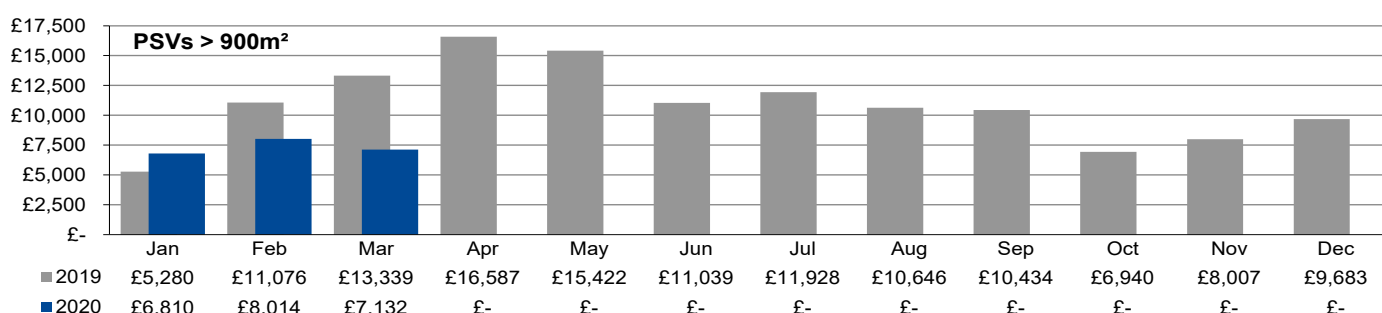
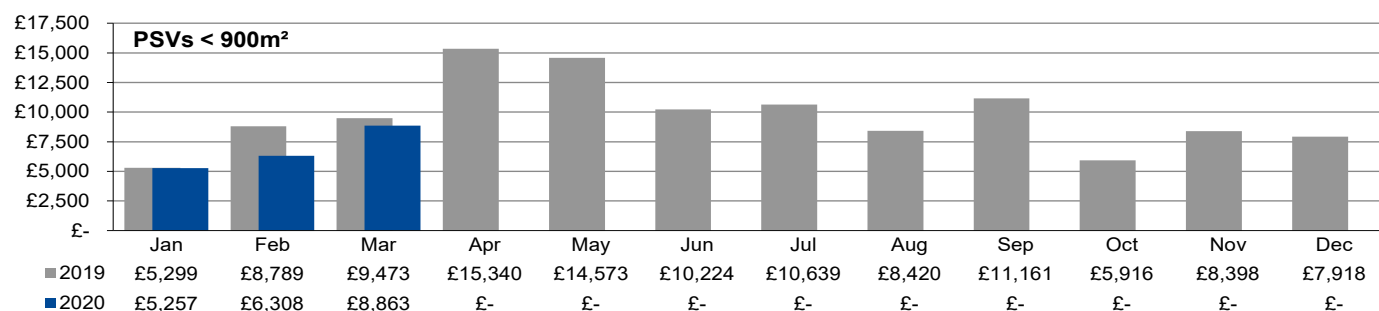
ALP STRIKER	EX MEDITERRANEAN
FAR SAPPHIRE	EX WEST AFRICA
MAERSK LANCER	EX SOUTH AMERICA
SKANDI SKANSEN	EX WEST AFRICA

### DEPARTURES - NORTH SEA SPOT

ALP FORWARD	WEST AFRICA
ATLANTIC KESTREL	CANADA
CARLO MARTELLO	BLACK SEA
HORIZON ARCTIC	CANADA
SIEM DIAMOND	CANADA

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

# NORTH SEA AVERAGE SPOT RATES





# FEATURE VESSEL

## SAYAN PRINCE



**Sevnor are expecting to take delivery of newbuild AHTS vessel Sayan Prince within the next few months.**

Built to the MOSS 919 design, the vessel was originally ordered back in 2013 by Finarge, part of the Rimorchiatori Riuniti Group. The original plan was for the unit to be constructed by SPP Shipbuilding in South Korea, however the partially-built vessel was resold by SPP to Sevnor in 2016 after the Finarge contract had been cancelled.

The Sayan Prince, as she is now known, was mobilised to Turkey to be completed at the Tersan Shipyard in Yalova. Sevnor are preparing to accept delivery within the next few months, at which point the vessel will be

mobilised to Northwest Europe.

The Sayan Prince has a length of 84m, breadth of 19.4m and deck area of 650m<sup>2</sup>. She is powered by four MaK main engines, with a total output of 21,760 bhp and a bollard pull of at least 235 tons. The SPS-classed unit has accommodation for 60 persons, with a fully integrated ROV hangar with a Kongsberg Evotec L-Frame LARS.

It has been a busy period for Sevnor, with two more AHTS vessels - the Bourbon Borgstein and Surf - also added to the owner's fleet recently (see p.10).



### **SAYAN PRINCE SPECS:**

**Yard:** Tersan Shipyard, Turkey

**Design:** MOSS 919 AHTS

**LOA:** 84.0m

**Breadth:** 19.4m

**Deck Area:** 650m<sup>2</sup>

**Main Engine Power:** 21,760 bhp

**Bollard Pull:** 235+ tons

**ROV:** Fully integrated hangar

**Accommodation:** 60 (SPS)

# NEWBUILDS, CONVERSIONS, S&P

## TWO MORE FOR SEVNOR

As well as preparing for the delivery of the Sayan Prince, Sevnor has also been active on the sale & purchase market, recently closing its acquisition of AHTS vessels Bourbon Borgstein and Bourbon Surf.

The two units had both been laid up in Norway since 2016 prior to Sevnor's purchase, but will now be reactivated after a period in drydock.

The Bourbon Borgstein and

Bourbon Surf are sister vessels, built to the UT 722 LX design. They were delivered in 2003 from the Langsten Shipyard in Norway (now owned by Vard/Fincantieri).

Each unit has a length of 87.7m, breadth of 18.0m and a cargo deck area of 500m<sup>2</sup>. They have a bollard pull of 237t and an accommodation capacity for 31 persons.

The Bourbon Borgstein is to be

renamed the Sayan Lord and the Bourbon Surf is to be renamed the Sayan Duke.



*Bourbon Borgstein & Surf (c/o O. Refvik)*

## TIDEWATER SELLS BATCH OF PSVs

When Tidewater released its quarterly financial results in early March, the owner provided an update on its efforts to 'high-grade' its fleet by revealing that 46 lower specification vessels had been identified for disposal this year.

It remains to be seen whether that target remains achievable given the operational difficulties that are developing as a result of the coronavirus, but Tidewater had certainly been making progress to sell off a chunk of its laid-up PSV fleet in the North Sea during the first quarter of the

year. In recent weeks, Tidewater has concluded the sales of three PSVs from this region.

The 2001-built Highland Fortress has been sold to IT International Telecom Marine; the UT 755L vessel has been renamed IT Integrity and will be modified to work in the cable repair market. The Highland Monarch, a UT 755 PSV delivered in 2003, has been sold to Indian owner Raj Shipping.

The North Stream, a 22-year old UT 745 PSV, has been sold to Hoyland Offshore. She will be renamed as the Sar Brage.

Elsewhere, Tidewater has sold the Highland Navigator from its Mediterranean fleet. The UT 745 vessel, built in 2002, has been sold to Greek owner Laskaridis Shipping. She will be renamed as Victor. Laskaridis had earlier purchased both the Stril Neptun and Malaviya Twenty.



*Highland Navigator (c/o J. Bartels)*

## SOLSTAD PSV BAREBOATS CANCELLED



*Sea Halibut*

SFL Corporation Ltd and Solstad Offshore have terminated the bareboat charter agreements that were in place for two PSVs: the Sea Halibut and Sea Pike. Both vessels have been laid up in Indonesia since 2016.

The vessels were subsequently returned to SFL Corporation,

with SFL reportedly selling the vessels to a third party. The Sea Halibut and Sea Pike are UT 755L vessels that were delivered in 2007.

This follows a similar agreement from last month, where the two parties agreed to end bareboat deals for three AHTS vessels.

## SUBSEA MARKET ROUND-UP

The energy industry supply chain has just experienced an unprecedented chain of events after the OPEC+ group decided to open their taps and increase their oil production. At the same time, while the coronavirus spreads around the globe, near-term oil demand has fallen by more than 15 million b/d.

This has all happened just after some confidence had returned to the market and we had experienced an uptick in FIDs, including some deep water projects.

With oil prices falling to their lowest levels since 2002 this

month, E&P companies have been slamming on the brakes for a variety of projects in an attempt to reign in spending this year, with some also announcing spending reductions for 2021 and 2022.

With free cash flow essentially obliterated for almost all E&P companies this year, the focus for 2020 has suddenly been placed on reducing CAPEX and delaying discretionary spending wherever possible.

Among the oil majors, Shell has knocked USD 5 billion off its capital expenditure for this year, equivalent to a 20% cut; Chevron

has reduced its CAPEX by USD 4 billion (20%); Total has shaved off USD 3.3 billion (20+%); ConocoPhillips has eliminated USD 700 million (10%); while BP & ExxonMobil are expected to be similarly ruthless.

Several other companies have also reduced their CAPEX budgets for this year by 20-30%, including Eni, Equinor, Hess, Petrobras and Repsol.

One other extreme example is Woodside, with planned CAPEX reductions of USD 2.7 billion for 2020. That equates to a total reduction of more than 60% from initial estimates.

## PROSAFE CONTRACT STATUS



### Prosafe

EnQuest had awarded Prosafe a contract to utilise the Safe Zephyrus accommodation semi to support the removal of the subsea tank at the Thistle field in the UK North Sea.

The flotel was due to mobilise to the field for a 21-day firm period but EnQuest later instructed Prosafe not to mobilise after the operator reviewed each of its assets and spending plans in light of the lower oil price environment. EnQuest's updated working assumption is not to re-start production at the Heather

and Thistle/Deveron fields.

The next contract for the 450-man accommodation semi is also in the UK sector, at Shell's Shearwater development. This contract is due to commence on May 2nd for a period of 110 days.

Meanwhile, Prosafe has supplied further updates on three more of its accommodation semis.

Firstly, the 2005-built Safe Concordia, which is on charter to Equinor in Brazil, is still on location but all personnel have been demobilised off the unit. The semi's contract is due to expire around mid-May, although Equinor has further options to retain her services into July. The Concordia has an

accommodation capacity for 461 persons.

The 2019-built Safe Euris is currently on charter to Petrobras until late November 2022, but she has been disconnected and all client personnel have been demobilised. The 500-bed unit is currently on a 95% standby rate and her contract is due to expire in November 2022.

Lastly, the 2016-built Safe Notos, also on charter to Petrobras, has also been disconnected with all client personnel demobilised. The 500-man semi is also on a 95% standby rate with the contract due to expire in July 2020, although there are options for extension until February 2024.



## FORTIES SHUTDOWN DELAYED

Due to concerns around bringing workers together during the coronavirus outbreak, and responding to requests from customers, Ineos has postponed the planned shutdown of its Forties Pipeline until August. The pipeline, which carries around 40% of the UKCS liquids,

was due to shut down on June 16th, but this will not happen until August 2020 at the earliest now. Ineos' planned GBP 500 million project to rejuvenate the pipeline will have a knock on effect to surrounding infrastructure. A number of other E&P companies had been

planning shutdowns around the same time frame to carry out their own scheduled inspection, maintenance and repair work, in addition to various tie-in scopes. Ineos will continue its discussions with customers and other stakeholders to define the best dates to plan these projects.

## ISLAND CONSTRUCTOR APPROVED FOR WINTERSHALL

The Norwegian Petroleum Safety Authority has granted Wintershall consent to utilise the well intervention vessel Island Constructor at the Vega and Maria fields. The consent will apply from mid-March until the end of 2022 covering

light well intervention involving cable-based well maintenance, whereby a cable is run directly through the water into the well without the use of a riser. The Island Constructor, an SX 121 vessel, is equipped with a 100t National Oilwell tower, she

has a deck area of 1,470m<sup>2</sup>, and accommodation for 90 persons.



## SUBSEA 7 AWARDED BAROSSA CONTRACT

ConocoPhillips has awarded Subsea 7 a SURF contract for its Barossa project in Australia. Subsea 7 will carry out project management, engineering, procurement, fabrication, transportation, installation and pre-commissioning of 36 km of flowlines and associated client-supplied risers, umbilicals and subsea structures. Offshore

work will take place in 2022 and 2023, using Subsea 7's reel-lay and heavy construction vessels. After the award of this contract, ConocoPhillips' partner Santos announced that part of their cost reduction will see the final investment decision for the Barossa development put on hold. In addition to the contract for Subsea 7, Allseas has

also been awarded a contract covering the export line, while NOV will provide the flexible riser supply, and TechnipFMC secured the subsea production equipment contract. ConocoPhillips is the operator of Barossa with a 37.5% interest. Santos and SK E&S are partners with a 25% interest and 37.5% interest respectively.

## SAIPEM TAKES UP OPTION TO PURCHASE ENDEAVOUR



Back in December 2019, Solstad Offshore had entered into a bareboat contract with Saipem

for the 2010-built derrick pipe-lay vessel DLB Norce Endeavour. The deal included an option for Saipem, at its discretion and subject to internal approval, to purchase the 146m-long vessel. Saipem has now decided to declare its purchase option for

the DLB Norce Endeavour and will take delivery of the vessel in April 2020. The original agreement had the charter starting in January 2020 and ending on May 31, 2021, with additional options to extend by a further five months.

## TECHNIPFMC TO PROVIDE IEPCI ON PLATINA

BP has awarded TechnipFMC an integrated engineering, procurement, construction and installation (iEPCI) contract for the Platina project offshore Angola.

Under the terms of the contract, TechnipFMC will manufacture, deliver and install the subsea infrastructure which comprises

subsea trees, a production manifold with associated control and connection systems, as well as rigid pipelines, umbilicals and flexible jumpers. The Block 18 Platina project, which lies in water depths between 1,200 and 1,500m, will consist of a subsea tie-back to the producing Greater Plutonio FPSO, which is

also located in Block 18.

As a reminder, BP signed an agreement with Sonangol in December 2019 to progress the development of the Platina field to a final investment decision.



## FUGRO RETAINS NORMAND FLOWER



*Normand Flower (pictured c/o O.Halland)*

Fugro has awarded Solstad Offshore a contract to retain the IMR support vessel Normand Flower. The UT 737 vessel will remain on charter with Fugro until April 2021. The contract has optional extensions for a further six months.

The Normand Flower has

been working for Fugro since March 2018 on various different projects. The vessel will be used to undertake geotechnical operations within the renewable energy as well as oil and gas sectors. She is equipped with a 50t crane and accommodation for 86 persons.

## MURPHY AWARDS CONTRACT TO SUBSEA 7

Subsea 7 has been awarded a contract with Murphy for subsea installation work at the Samurai, Khaleesi and Mormont fields in the US Gulf of Mexico.

The contract covers the tie-back of seven wells to the King's Quay FPS. This will include the engineering, procurement, construction, installation and commissioning of all subsea

equipment including PLETs, PLEMs, umbilicals, distribution hardware, production and export flowlines and jumpers. The contract will also involve the wet tow in the US Gulf to the fields, and the mooring system installation at the FPS semi. The planning and engineering for the project will be based at Subsea 7's office in Houston,

Texas, while the risers and flowlines will be manufactured at Ingleside, Texas. Installation work is planned for 2021.



## FINAL JOURNEY FOR PELICAN



The 1986-built DSV Seven Pelican arrived in Aliaga on March 18 for recycling. The vessel had been mobilised from Malta to Turkey. The Seven Pelican has a length of 94m, accommodation

for 105 persons, a 120t active heave compensated crane and an 18-man SAT system. She last worked in West Africa but was predominantly a North Sea-based vessel.

# RENEWABLES

## CROWN MODIFIES TIMETABLE FOR ROUND 4

The UK Crown Estate has rescheduled its timetable for the 7GW Round 4 offshore wind leasing exercise in response to the ongoing Covid-19 pandemic. The extension will see stage one of the ITT expand from seven to ten weeks to allow bidders

additional time to respond. The process got underway on 30th March while an 11-week assessment period will remain. The second stage will commence in the second half of September with the bidding cycles starting in October.



## FID ON SOFIA DUE IN 2021



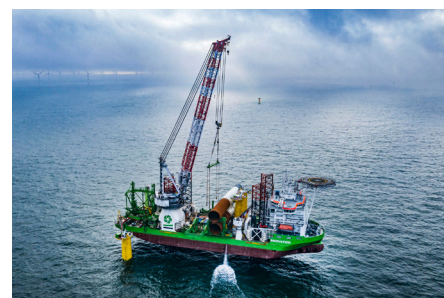
Innogy has announced plans to make its Final Investment Decision for the 1.4GW Sofia offshore wind project in early 2021, once all the contract conditions for possible suppliers are established. Onshore construction for the project will start in 2021, with

offshore work scheduled to begin in 2022. Commissioning of the wind farm should commence around late 2024 or early 2025. The Sofia offshore wind farm, which will consist of 200 wind turbines, is located around 195km off the UK coast on the Dogger Bank.

## DEME TO COLLABORATE WITH PENTA-OCEAN

DEME has entered into a Memorandum of Understanding with Penta-Ocean Construction to collaborate together for the construction of wind farms offshore Japan. The collaboration will take advantage of the momentum gained in Japan for offshore wind. DEME has a

fleet of installation vessels, with seven self-elevating vessels with crane lifting capacities up to 1,500t, including the 2015-built Innovation. Penta-Ocean owns the first Japanese offshore installation vessel, CP-8001, and is currently building a second vessel.



*Innovation*

## SEAJACKS ZARATAN TO WORK ON JAPANESE WIND FARM

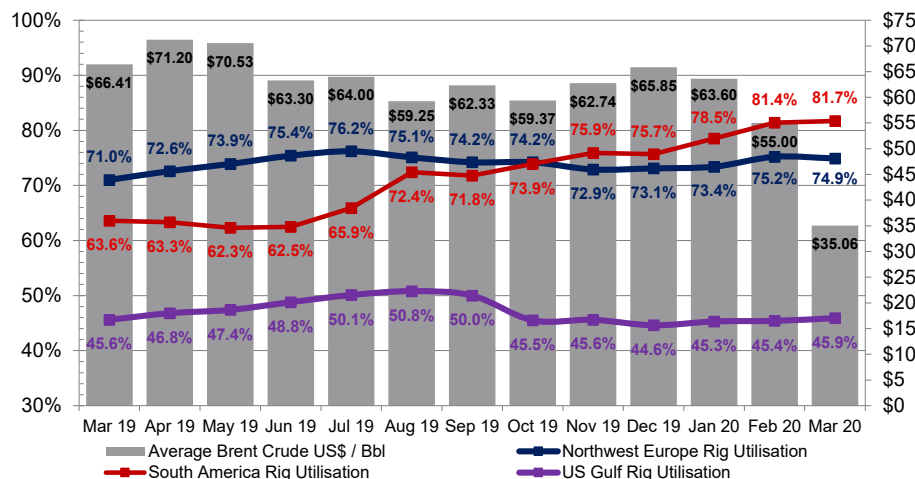


Kajima Corporation has awarded Seajacks a foundation installation contract for the first bottom-fixed large-scale offshore wind project funded 100% on a commercial basis by Marubeni Corporation, a parent company of Seajacks and an investor in the wind farm project. Seajacks will use the 2012-built Seajacks

Zaratan with offshore work to begin in 2021. The 140MW Akita Noshiro project comprises two sites off Akita and Noshiro Ports. In total, the two wind farms will feature 33 MHI Vesta V117-4.2 MW wind turbines installed on monopile foundations. The turbines are scheduled to be operational in 2022.



## OIL PRICE VS RIG UTILISATION



## VALARIS RECEIVES CONTRACT TERMINATIONS

Valaris has received a notice of contract termination from Total for drillship Valaris DS-8 after the rig's BOP was accidentally dropped offshore Angola. The rig had been contracted until November 2020. Valaris has also received an early termination

for Valaris JU-109, which will be released by Cabinda Gulf in April 2020 instead of July 2021. Valaris "expects to receive additional notices of contract terminations and requests to renegotiate contract day rates and terms" due to recent events.

## I3 CONTRACT FOR DOLPHIN

Dolphin Drilling has picked up a contract with i3 Energy to provide either the Borgland or Blackford Dolphin for an 82-day plus options contract in the UK sector that will start no

later than September 1, 2020. The work scope for the firm period of the contract will entail appraisal drilling at the Serenity discovery, with up to 78 days of options available.

## RIG UTILISATION AND DAY RATES

UTILISATION	MAR 2020	MAR 2019	MAR 2018	MAR 2017	MAR 2016
NORTHWEST EUROPE	74.9%	71.0%	60.7%	53.0%	69.2%
SOUTH AMERICA	81.7%	63.6%	66.3%	73.0%	82.3%
US GULF	45.9%	45.6%	42.3%	30.8%	37.8%

RECENT DAY RATE BENCHMARKS	LOW (USD)	HIGH (USD)
UK HARSH HIGH SPEC JACKUPS	75,000	120,000
NORWAY HARSH HIGH SPEC JACKUPS	272,500	275,000
UK HARSH HIGH SPEC SEMISUBS	160,000	205,000
GLOBAL ULTRA-DEEPWATER SEMISUBS	140,000	145,500
GLOBAL ULTRA-DEEPWATER DRILLSHIPS	210,000	250,000

INACTIVE RIGS NORTHWEST EUROPE		
NAME	TYPE	STATUS
BIDEFORD DOLPHIN	SS	WARM STACK
BLACKFORD DOLPHIN	SS	WARM STACK
COSLINNOVATOR	SS	WARM STACK
DEEPSEA BERGEN	SS	WARM STACK
ISLAND INNOVATOR	SS	WARM STACK
LEIV EIRIKSSON	SS	WARM STACK
MAERSK GALLANT	JU	WARM STACK
MAERSK INTERCEPTOR	JU	WARM STACK
MAERSK RESILIENT	JU	WARM STACK
MAERSK RESOLUTE	JU	WARM STACK
MSS1	SS	WARM STACK
NOBLE HANS DEUL	JU	WARM STACK
NOBLE SAM TURNER	JU	WARM STACK
OCEAN GREATWHITE	SS	WARM STACK
STENA SPEY	SS	WARM STACK
SWIFT 10	JU	WARM STACK
VALARIS JU-70	JU	COLD STACK
VALARIS JU-71	JU	COLD STACK
VALARIS JU-123	JU	WARM STACK
WEST ALPHA	SS	COLD 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
WILPHOENIX	SS	WARM STACK

Source: IHS-Petrodata

# CONUNDRUM CORNER, DUTY PHONES

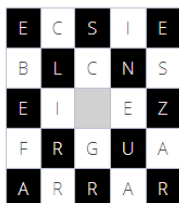
## ALLSEAS ACQUIRES DRILLSHIP

Allseas has acquired the ultra-deepwater drillship Vitoria 10000. The 2010-built rig will be converted by Allseas into a polymetallic nodule collection vessel. The Vitoria 10000, originally built to the Samsung 10000 design, has a length of 228m, breadth of 42m and an accommodation capacity for 200 persons.

In partnership with DeepGreen Metals Inc, Allseas is developing a deep-sea mineral collection system to recover polymetallic nodules from the ocean floor and then transfer them to the surface for transportation to shore. The nodules contain high grades of nickel, manganese, copper and cobalt - key metals required for electric vehicle batteries and renewable energy technologies. The vessel is expected to be ready for pilot tests by mid-2021.

## CONUNDRUM CORNER

**Last month's answer :-** A knight is placed on the the centre square of this chessboard. Move the knight to each square once only, collecting letters to spell out four nations that have played at the football World Cup. What are the nations?



The answer was :- Brazil, France, Russia and Greece.

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

What numbers should replace the question marks?

- 14 70 19
- 23 92 27
- 19 57 22
- 48 ?? ??

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

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