

# SEABREEZE

THE SEABROKERS MONTHLY MARKET REPORT

NOVEMBER - DECEMBER 2018

## SEASON'S GREETINGS!



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Production and Administration:  
Seabrokers Ltd, Aberdeen  
For your free copy of  
Seabreeze, email:  
[chartering@seabrokers.co.uk](mailto:chartering@seabrokers.co.uk)

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

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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

## MARKET WINDING DOWN FOR WINTER

As we move towards the end of 2018, offshore activity levels in the North Sea have started to wind down a bit for the winter. While there has been a healthy level of term fixture activity to keep owners' spirits up, an increase in spot supply in recent weeks, mainly PSVs, has kept the spot market primarily in charterers' favour. This has prompted some owners to lay up tonnage for the winter with an intention to reactivate again as activity levels are forecast to increase in the spring.

Looking back over 2018, it would be fair to say that the North Sea spot market has failed to live up to owners' expectations. While owners undoubtedly gained some traction on the term PSV market this year, with average fixture rates on the rise, charterers have continued to hold the upper hand on the spot market for both the AHTS and PSV sectors.

The only sub-market where average spot rates have been higher over the course of 2018 than they were in 2017 is the large PSV market (900m<sup>2</sup>+). For small-medium PSVs and right across the AHTS market, average spot rates this year are below what owners were able to achieve in 2017 (see p.7). This can largely be attributed to vessels being reactivated from layup or relocated from other regions.

## SCORPIO SWOOPS IN AT NAO

Less than three weeks after the contemplated business merger between Nordic American Offshore (NAO) and Horizon Maritime was shelved, a new suitor for NAO emerged in the form of Scorpio Offshore.

On December 12th, NAO entered into an agreement with Scorpio Offshore Investments Inc, where Scorpio invested USD 5 million in a private placement of NAO shares at a price of USD 0.42 per share. That equates to nearly 12 million shares, or just less than 20% of the 62 million shares outstanding in NAO.

Emanuele Lauro of Scorpio will be the new Chairman and CEO

of NAO, replacing former CEO Herbjørn Hansson, although Mr Hansson and his family remain significant shareholders in the company.

The Scorpio Group, primarily engaged in the dry bulk and tanker markets, have only recently started to dip their toes into the offshore oil & gas sector with the earlier acquisitions of eight fast crew vessels and two anchor handlers in West Africa. This deal marks Scorpio's first move into the North Sea/harsh environment PSV market. NAO operates a fleet of 10 modern PSVs, delivered from 2012-2016, all of which are currently based in Northwest Europe.

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## FLURRY OF FIXTURES IN NORTH SEA

As the year draws towards a close, there has been a flurry of term fixture activity in the North Sea as charterers seek to secure adequate PSV tonnage for 2019 and beyond. There has been a noticeable increase in the number of long-term contracts awarded for a firm period of one year or more, and the details of these fixtures are covered on pages 4-5. In addition to those longer term deals, there has been a steady stream of multi-well or multi-month charters awarded in recent weeks as well.

In the UK sector, EnQuest has chartered the Brage Trader until

February 2019, while Perenco has fixed up PSV Seacosco Yangtze and ERRV Putford Aries on three-month firm contracts.

In the Netherlands, PSV VOS Prelude has been chartered on a term fixture with Tulip Oil, while in Norway the Energy Swan has had her contract extended with Wintershall until the end of April 2019. Elsewhere, three vessels that had previously been trading the North Sea spot market (Normand Naley, Sea Supra and Standard Provider) have left this market to provide pipelay support for Allseas in the Baltic Sea.

# OSV MARKET ROUND-UP

## EQUINOR CONTRACTS FOR SOLSTAD

Equinor UK has awarded Solstad Offshore a contract for a two-year charter with PSV Normand Skipper. The contract comes with two further years of options, potentially keeping the vessel occupied through 2022. The Skipper, currently trading the North Sea spot market, is due to commence operations with Equinor in the near future. In addition to this fixture, Equinor UK has also extended its contract with another Solstad PSV, the Sea Falcon, via the exercise of a one-year option. This will keep the Falcon firmly committed until November 2019.

The Normand Skipper is a 2005-built VS 4420 PSV with a length



Sea Falcon (pictured c/o O. Halland)

of 92.4m, deck area of 1,262m<sup>2</sup> and deadweight of 6,608t; the Sea Falcon is a 2013-built PX 105 PSV with a length of 88.9m, deck area of 1,023m<sup>2</sup> and deadweight of 4,419t.

Further to the agreements with Solstad, Equinor UK has also recently chartered PSV Havila Borg for an approximate four-month term that will keep the vessel occupied through winter.

## NORTH BARENTS SELECTED BY EQUINOR



North Barents (pictured c/o O. Halland)

Having recently awarded a three-year contract to Island Offshore to utilise the Island Clipper as a combined PSV/Walk-to-Work vessel offshore Norway, Equinor has also awarded a contract to GulfMark (now part of Tidewater) for a

term charter with PSV North Barents. The vessel has been contracted for two firm years with four six-month options. The North Barents is a 2013-built ST-216 Arctic PSV with a length of 92.6m, deck area of 1,053m<sup>2</sup> and deadweight of 5,000t.

## TERM DEALS FOR NORTH STAR

North Star Shipping has picked up a pair of new term contracts in the UK sector recently, with further fixtures expected to follow in the near future. The Grampian Talisker has been chartered by Centrica Storage for a one-year firm contract with

two further one-year options; the vessel will be providing multi-role ERRV duties at the Rough gas field. Further to this, PSV Grampian Sceptre has been fixed up to CNR International for a one-year firm contract with six further one-month options.



Grampian Talisker



# OSV MARKET ROUND-UP

## NAO PSVs PROVING POPULAR

While the corporate negotiations have been ongoing between NAO and Scorpio Offshore, it has been business as usual on the chartering front for Nordic American, and the owner's PSVs have proven to be popular in the UK market in recent weeks.

Firstly, Premier Oil fixed up the 2013-built NAO Power on a one-year firm contract with two further three-month options. The firm portion of the charter will keep the vessel busy until at least December 2019.

This fixture was followed up a week later by another term contract for NAO, with Asco Marine Ltd (on behalf of Team Marine) chartering the 2015-built



NAO Power (pictured c/o A. Jamieson)

NAO Viking for a two-year firm term with two additional one-year options. The Viking is now firmly committed until at least December 2020.

Both vessels were built in Norway to the Ulstein PX 121 design, giving them a length of 83.4m, deck area of 850m<sup>2</sup> and deadweight of 4,200t.

## AUKRA FOR ASCO



In addition to fixing up the NAO Viking on a term charter, Asco Marine Ltd (on behalf of Team Marine) has also awarded a multi-year contract to DOF recently. The Skandi Aukra PSV, which was already on charter to Asco on a prior contract, has

been retained for a subsequent two-year firm contract in the UK sector.

The Skandi Aukra is a 2012-built VARD PSV 09 CD vessel. She has a length of 87.9m, breadth of 19.0m, deck area of 1,000m<sup>2</sup> and a deadweight of 4,573t.

## SOLSTAD PSVs STAY WITH EQUINOR BRAZIL

It is not just in the North Sea that Solstad's vessels are in demand with Equinor, with the charterer opting to retain two of Solstad's PSVs on term contracts in South America. Both the Far Scotsman and Far Serenade have been fixed up on

six-month contract extensions to continue supporting operations at Equinor's portfolio of assets offshore Brazil.

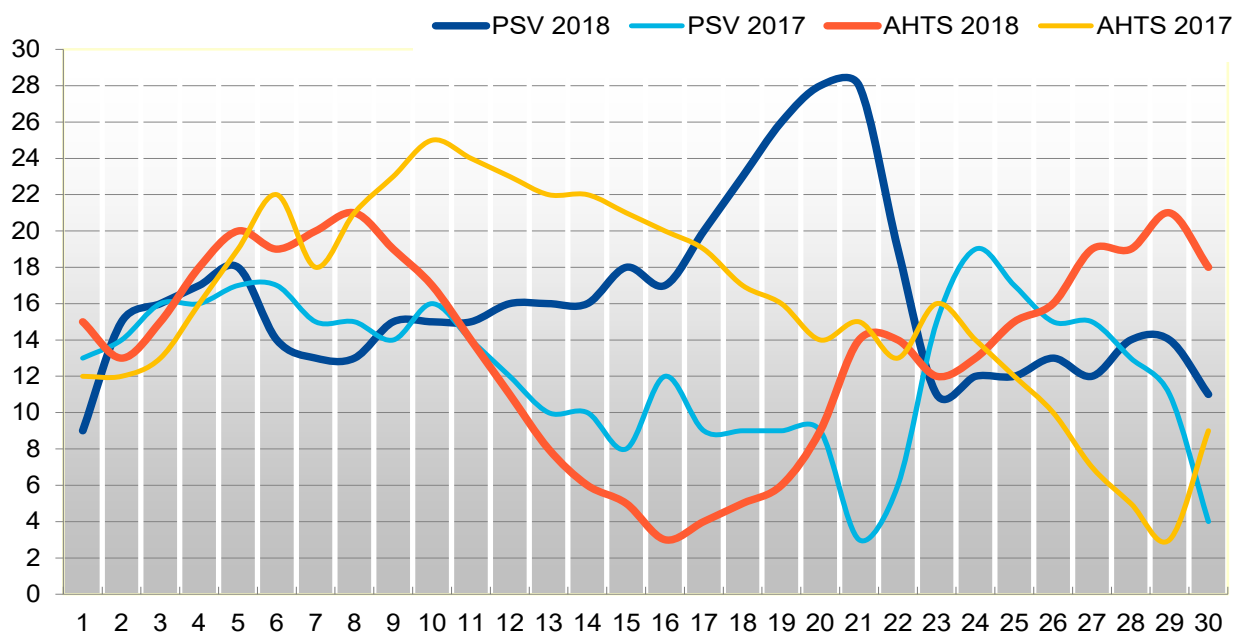
The Far Scotsman is a 2012-built VARD PSV 08 CD vessel, while the Far Serenade is a 2009-built UT 751 CD PSV.



Far Scotsman (pictured c/o O. Halland)

# OSV RATES & UTILISATION

## NOVEMBER 2018 - DAILY NORTH SEA OSV AVAILABILITY



## RATES & UTILISATION

### NORTH SEA SPOT AVERAGE UTILISATION NOVEMBER 2018

TYPE	NOV 2018	OCT 2018	SEP 2018	AUG 2018	JUL 2018	JUN 2018
MED PSV	59%	64%	77%	60%	58%	72%
LARGE PSV	67%	83%	81%	75%	80%	82%
MED AHTS	35%	52%	59%	59%	58%	44%
LARGE AHTS	50%	58%	66%	77%	59%	58%

### NORTH SEA AVERAGE RATES NOVEMBER 2018

CATEGORY	AVERAGE RATE NOV 2018	AVERAGE RATE NOV 2017	% CHANGE	MINIMUM	MAXIMUM
SUPPLY DUTIES PSVs < 900M <sup>2</sup>	£5,594	£6,017	-7.03%	£3,772	£11,000
SUPPLY DUTIES PSVs > 900M <sup>2</sup>	£6,004	£5,203	+15.39%	£3,636	£10,909
AHTS DUTIES AHTS < 22,000 BHP	£6,100	£17,299	-64.74%	£5,500	£7,000
AHTS DUTIES AHTS > 22,000 BHP	£9,567	£9,171	+4.32%	£4,545	£25,000

## SPOT MARKET ARRIVALS & DEPARTURES NOV TO MID-DEC 2018

### ARRIVALS - NORTH SEA SPOT

A.H. VARAZZE	EX MEDITERRANEAN
FS ABERGELDIE	EX CENTRAL AMERICA
NAO HORIZON	EX WEST AFRICA
ONYX	EX RUSSIA

### ARRIVALS CONTINUED

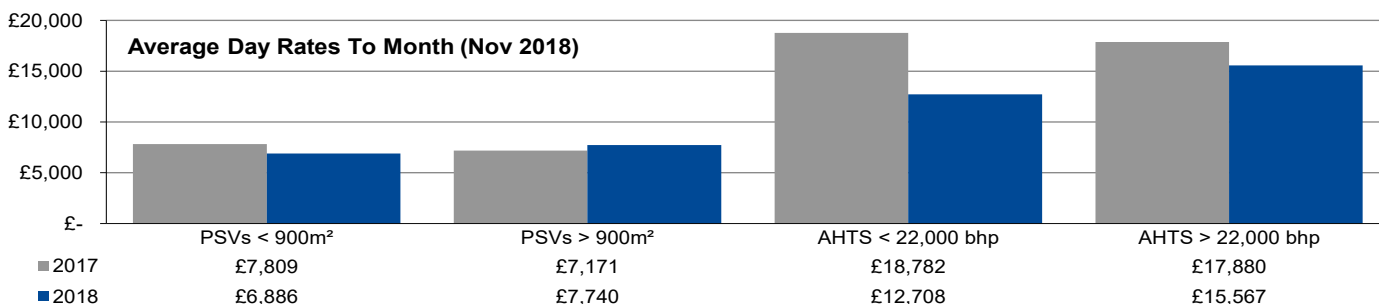
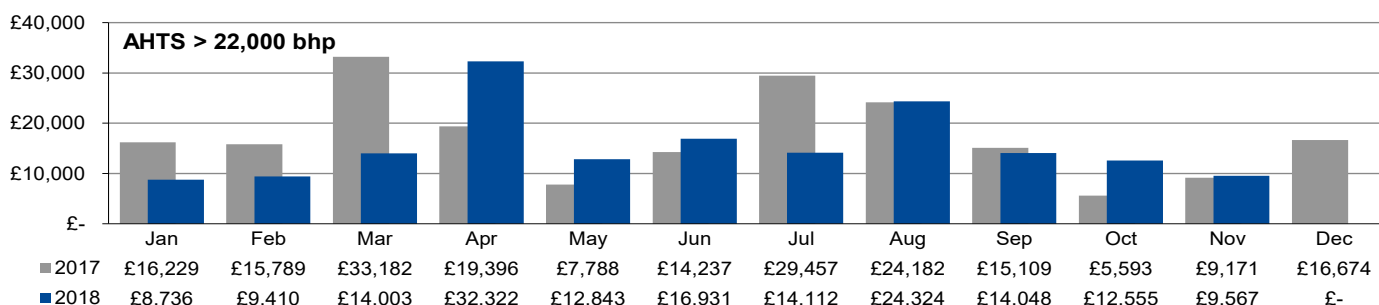
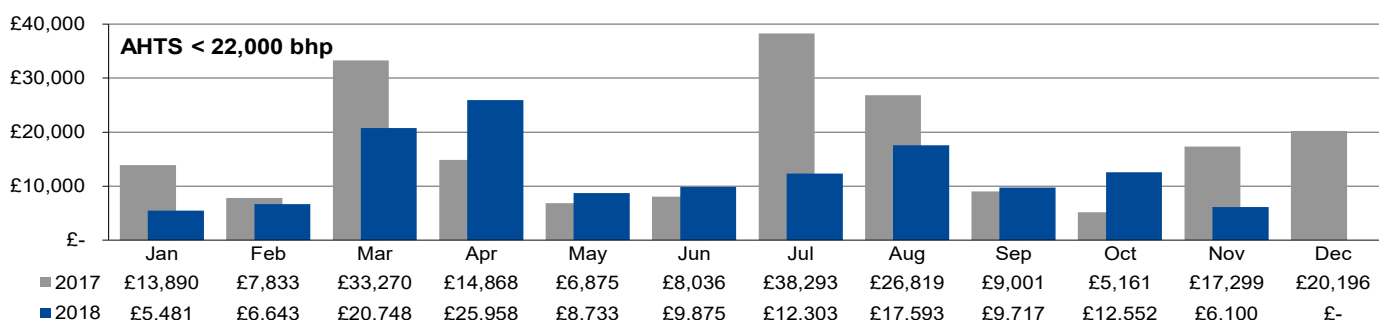
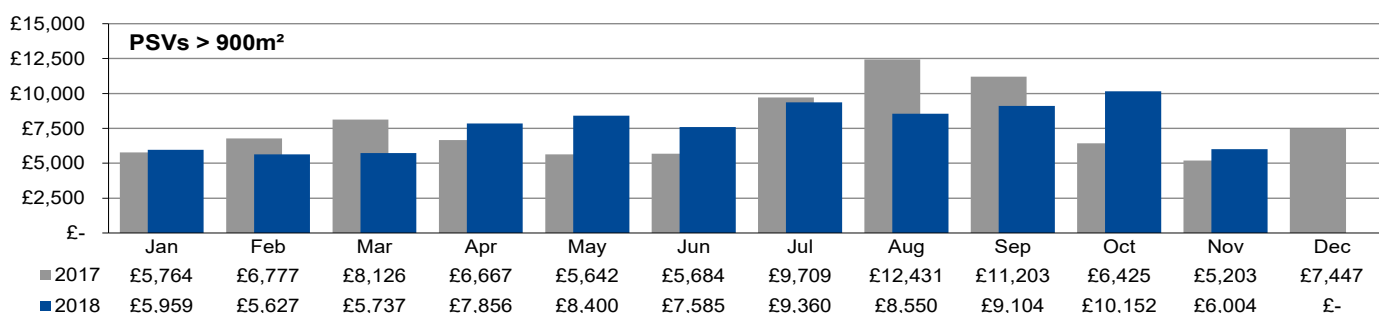
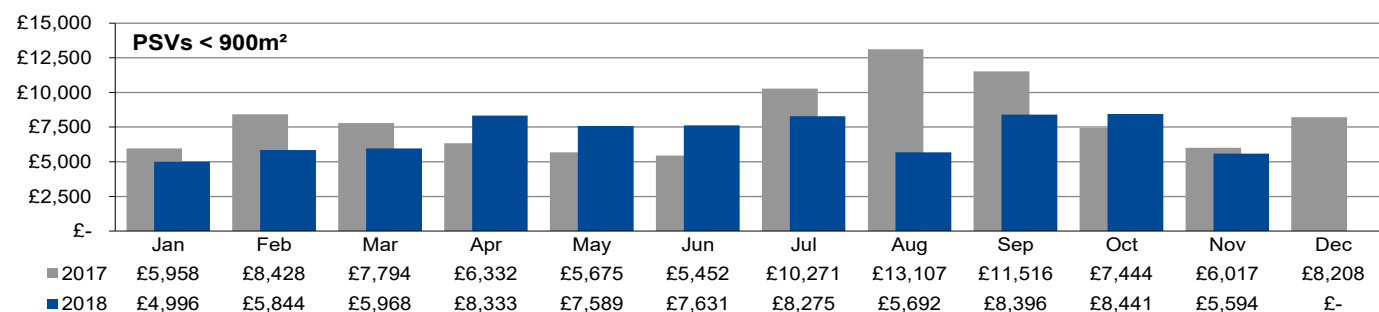
SIEM EMERALD	EX RUSSIA
VOS PATRIOT	EX WEST AFRICA

### DEPARTURES - NORTH SEA SPOT

MAERSK TOPPER	SOUTH AMERICA
NORMAND NALEY	BALTIC SEA
OLYMPIC ZEUS	WEST AFRICA
SEA SUPRA	BALTIC SEA
STANDARD PROVIDER	BALTIC SEA

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

# NORTH SEA AVERAGE SPOT RATES



# FEATURE VESSELS

## BRAGE SUPPLIER / BRAGE TRADER



Rem Offshore has acquired sister PSVs Brage Supplier and Brage Trader from Brage Supplier KS. The STX PSV 09 CD vessels were transferred to their new owners on November 30th.

Delivered by the Cochin Shipyard in India in 2011-2012, both vessels have been trading in Northwest Europe since they entered service. They were previously operating under the management of Simon Møkster Shipping.

Both vessels are working on term charters in the UK sector of the North Sea, with the Trader contracted to EnQuest until the first quarter of 2019 and the Supplier contracted to Repsol Sinopec into 2020.

The Brage Supplier and Brage

Trader have a length of 86.6m, a breadth of 19.0m and a deck area of 1,000m<sup>2</sup>. They have a deadweight of 4,800t and a maximum deck load capacity of 2,700t. The vessels are outfitted with accommodation for up to 44 persons, primarily in one and two-berth cabins.

Rem Offshore is now operating a total fleet of nine vessels, consisting of six PSVs, one seismic vessel and two subsea construction vessels.

Seabrokers were involved in this sale and purchase transaction.



### BRAGE SUPPLIER/TRADER:

**Design:** STX (VARD) PSV 09 CD

**Build Yard:** Cochin, India

**Build Year:** 2011-2012

**LOA:** 86.6m

**Breadth:** 19.0m

**Summer Draft:** 6.6m

**Deck Area:** 1,000m<sup>2</sup>

**Deadweight:** 4,800t

**Gross Tonnage:** 4,059t

**Max Deck Load:** 2,700t

**Main Engines:** 4x Wärtsilä 9L20

**Accommodation:** 44 persons



# OSV NEWBUILDINGS, S&P

## FURTHER SALES OF FORMER TOISA VESSELS

Another batch of former Toisa-owned vessels have been sold at bankruptcy auctions in recent weeks. With regards to PSVs and AHTS vessels, the earlier sales of the Toisa Conqueror, Coral and Intrepid have been followed by the sales of: the Toisa Invincible (VS 483 PSV) to DP Acquisitions

Inc for USD 500,000; the Toisa Crest (AP 416 ROV/PSV) to Maritech International Ltd for USD 750,000; and the Toisa Elan, Toisa Envoy and Toisa Explorer (VS 4616 AHTS vessels) to Eastern Navigation Ltd for USD 5 million, USD 6 million and USD 6 million respectively.



Toisa Explorer (pictured c/o D. Dodds)

## CASPIAN MARINE BUYS LAST OF FRATELLI'S PSVs



F.D. Incomparable (pictured c/o D. Dodds)

Fratelli d'Amato has sold its last five PSVs to Caspian Marine Services. The F.D. Honorable, Incomparable, Indomitable, Unbeatable and Untouchable are being relocated from the North Sea to the Caspian Sea. They have all been laid up in the UK for several years.

The five vessels were all built at the Rosetti Marino Shipyard in Italy to variations of the UT 755 design (L, XL, XLS). They were delivered between 2011 and 2013. Caspian Marine Services is based in Baku, Azerbaijan, with a broad range of OSVs working in the Caspian Sea.

## MAERSK SELLS 'B CLASS' AHTS VESSELS

Maersk Supply Service has sold two of its 'B class' AHTS vessels recently. The former Maersk Blazer, which recently relocated from Brazil to the Netherlands, has been acquired by Dixstone Holdings/Perenco. She has been renamed as the Sparfell. Separately, the former Maersk

Boulder has been sold to JD-Contractor/Blue Star Line, and she has been renamed as the Blue Agena. Similar to the Blazer, the Maersk Boulder had been working offshore Brazil prior to this transaction. She has since departed South America and mobilised to Gran Canaria.



Sparfell (pictured c/o H. v.d.Heijden)

## FORMER VIKING DYNAMIC JOINS A1 FLEET



Bjerrum & Jensen has emerged as the buyer of the former Viking Dynamic PSV, with A1 Offshore acting as the commercial and operational manager of the vessel. The Viking Dynamic had previously worked under the management of Eidesvik but she had been laid up since mid-2017

prior to this transaction. Built to the VS 490 design, the Viking Dynamic was delivered in 2002. She has a length of 90.2m, a breadth of 19.0m, a deadweight of 4,505t and a deck area of 985m<sup>2</sup>. The vessel is to be renamed as the Connector Express.

# OSV NEWBUILDINGS, S&P

## FORMER FAR SUPPLIER OFF TO VIETNAM

Farstad Marine AS, a wholly owned subsidiary of Solstad Offshore ASA, has sold the PSV Far Supplier to Hai Duong Co. Ltd (HADUCO). She has been renamed as the Sea Meadow 22. The vessel, which had been working offshore Australia earlier this year, has since been

mobilised to Singapore with Vietnam likely to be her next destination. The Far Supplier, built to the VS 483 design, was delivered in 1999 following her construction at the Kvaerner Govan shipyard in Glasgow, Scotland. She has a length of 83m and a deck area of circa 900m<sup>2</sup>.



Ex Far Supplier (pictured c/o H. Kouwenhoven)

## VIKING SUPPLY EXITS PSV MARKET



Frigg & Idun Viking (pictured c/o G. Spowart)

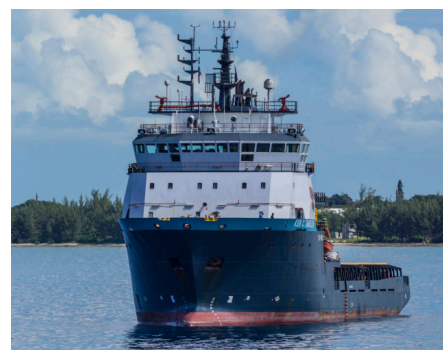
Having sold three PSVs (Freyja Viking, Nanna Viking and Sol Viking) to Awaritse Nigeria earlier this year, Viking Supply Ships has now exited the PSV market with the sale of its final two PSVs to undisclosed buyers. Prior to their sale, the Frigg Viking and Idun Viking had

both been laid up in Uddevalla, Sweden, since 2015. As of mid-December, the Idun Viking remained in Uddevalla, while the Frigg Viking was transiting east through the Mediterranean Sea. The vessels, built to the VS 470 MkII design, were delivered in 2003.

## NEW HOMES FOR FORMER TIDEWATER VESSELS

Two PSVs that were previously part of Tidewater's fleet have been acquired by new owners. The 2003-built Ken C. Tamblyn, which had been stacked in the USA for two years, has been purchased by Ocean Peace, Inc., a Seattle-based commercial fishing company. Meanwhile,

the Dean Edward Taylor, a 2013-built PSV, will remain in the offshore oil & gas industry having been acquired by another US-based vessel owner, Odyssea Marine. She is being renamed as the Odyssea Phoenix. The Phoenix has a length of 92m and a deck area of 1,031m<sup>2</sup>.



Ken C. Tamblyn

## GRACIE CANDIES SOLD TO JACKSON



Jackson Offshore Operators has acquired the former Gracie Candies PSV from Otto Candies. The 2014-built vessel has been renamed as the Blizzard. She is committed on a long-term charter with Shell in the US Gulf. Built by Candies Shipbuilders

in Louisiana, the Blizzard has a length of 91.4m, a breadth of 18.9m and an operating draft of 5.9m. She has a deadweight of 5,150t at operating draft, with a cargo deck area of 985m<sup>2</sup>. The DP II vessel has an engine output of 10,800 bhp, and she is equipped with FiFi-1 equipment.

# OSV NEWBUILDINGS, S&P

## COSL ORDERS 12 NEWBUILD PSVs

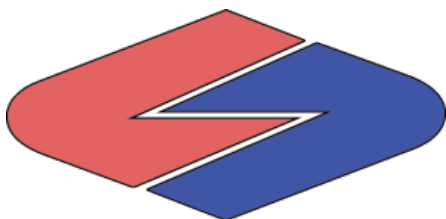
China Oilfield Services Limited (COSL) has placed orders at two different shipyards in China for the construction of a total of 12 newbuild PSVs.

The 12 vessels are reportedly to be split between eight vessels at the Qingdao Wuchuan Heavy

Industries facility, with four to be built by Dalian Liaonan. The Wuchuan vessels are to be 4,000t deadweight PSVs, while the Dalian units are to be 5,000t deadweight PSVs. Deliveries will be staggered throughout 2020 and 2021.



## FIRST DUAL-FUEL PSV FOR MALAYSIA



Local Malaysian media reports suggest that Synergy Marine has signed an agreement with ship designers MCTMS and the Shin Yang Shipping Corporation for the construction of a newbuild dual-fuel PSV that will be able to operate on LNG. The USD

45 million order is for a 77m PSV to be built. The keel laying ceremony is scheduled for January 2019, with delivery of the vessel expected in the fourth quarter of 2020. While the initial agreement is for just one vessel, there may be potential for further orders.

## MARCAP SUPPORTER DELIVERED

Following her recent delivery from the Fujian Southeast Shipyard in China, newbuild PSV Marcap Supporter has been mobilised to the United Arab Emirates.

Owned by Marine Capabilities

in Abu Dhabi, the DP2 vessel was built to the DN60M design, giving her a length of 60m and breadth of 16m. The Marcap Supporter departed China in mid-November and recently arrived in the Middle East.



## ALLIANZ ACQUIRING BULK OF SWISSCO FLEET



UAE-based Allianz Middle East Ship Management has entered into an agreement to acquire the majority of the fleet of Swissco, which is currently under judicial management. The deal will see Allianz acquire 21 vessels for a

price of USD 20.5 million, with options to acquire an additional four vessels (Swissco Garnet, Onyx, Pearl and Sapphire) for a further USD 8.5 million. Closure of the transaction is expected before the end of February 2019.

## RECENT DELIVERIES OF NEWBUILD OSVs

NAME	TYPE/DESIGN	OWNER/ MANAGER	COMMITMENT
MARCAP SUPPORTER	DN60M PSV	MARCAP	TBC



## SUBSEA MARKET ROUND-UP

Following on from the sale of the three former Toisa subsea vessels that were reported in October's Seabreeze, we have seen further sales of the former Toisa subsea fleet recently. Subsea 7 has acquired the dive support vessel Toisa Pegasus for USD 34.3 million, while Administradores Navieros Del Golfo SA de CV (ANG) purchased the DSV Toisa Paladin for USD 18.5m. ANG previously bought the Toisa Perseus. Finally, Eastern Navigation paid USD 6 million for the Toisa Wave.

The 2009-built Toisa Pegasus (which is equipped with a twin bell 18-man saturation dive system, a 400t crane and

accommodation for 199 persons) and the MT6016L Toisa Paladin (which is equipped with an 18-man dive system, a 140t crane and accommodation for 100 persons) have been laid up since 2017. It is expected that Subsea 7 will utilise the Toisa Pegasus in Southeast Asia, but no firm details have been confirmed. Five offers were received for the Pegasus but Subsea 7's offer was USD 1.7 million higher than the next best offer for the vessel. The VS483 MkIII-designed Toisa Wave has been laid up since 2015 and will be mobilised from the North Sea to Singapore. Meanwhile, Qingdao Wuchuan Heavy Industry shipyard in

China has received bids for the two Salt 305-designed newbuild IMR support vessels that had originally been ordered by Toisa in 2015.

The DP2 Toisa Reveille and Toisa Resolute vessels will have 150-tonne cranes, a deck area of 1,100m<sup>2</sup>, enclosed ROV hangars for two large work class ROVs, and accommodation for up to 100 persons. Both vessels are understood to be close to completion. The ZMPC yard is also marketing the SAW2049-designed Toisa Pelagic DSV for sale or bareboat charter. The Drass twin-bell SAT system has yet to be installed on the DSV and delivery is not expected until around mid-2019.

## REACH GRABS TOPAZ TIAMAT



Reach Subsea has signed an agreement to charter Topaz Energy and Marine's Vard 3 08 newbuild ROV support vessel

Topaz Tiamat. The company will charter the vessel for a firm period of two and a half years, with three yearly options thereafter. The DP2-classed vessel, which will be equipped with a 120-tonne active heave compensated offshore crane and accommodation for up to 82 persons, will be deployed into the co-operation agreement between Reach and MMT.

Topaz Marine agreed to delay delivery of the Topaz Tiamat and sister ship Topaz Tangaroa earlier this year with the yard. Both vessels remain at the Vard Bratvåg in Norway, having originally been ordered in September 2015. The Topaz Tiamat will be mobilised during the first quarter of 2019 with ROVs from within the current Reach ROV fleet.

## CAPTAIN BECOMES 18TH PROJECT APPROVED

Chevron has received approval from the UK Oil and Gas Authority (OGA) on the development plan to progress its Captain Enhanced Oil Recovery (EOR) project in the Central North Sea. Chevron will apply the use of polymer injection technology

to increase production and help maximize the economic recovery from the field, a first for the UK Continental Shelf. The installation comprises a wellhead protector platform (WPP) and bridge linked platform (BLP) connected to

a floating production, storage and offloading vessel. The Final Investment Decision to proceed with the first phase of the field was taken back in October 2017. This is the 18th project to be sanctioned on the UKCS this year.



## ALL GO FOR TROLL PHASE 3

The Ministry of Petroleum and Energy in Norway has approved Equinor's proposed development of Phase 3 of the Troll field in the North Sea.

The plan relates to a subsea solution tied back to the Troll A platform. The subsea concept includes the construction and installation of two subsea templates, the drilling of eight production wells, the laying of a

36-inch pipeline and installation of a new processing module on the Troll A platform.

Equinor and its partners will invest NOK 7.8 billion (USD 914 million) in the project that is expected to come online in 2021, extending the productive life of the Troll field beyond 2050.

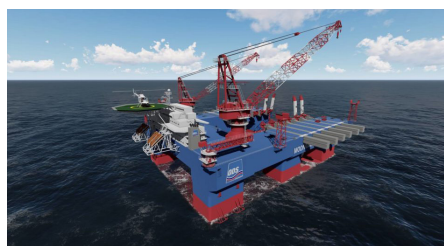
The field can now deliver another 2.2 billion barrels of oil equivalent with a CO<sub>2</sub> intensity

of 0.1 kilo per barrel.

The Troll partners are Equinor (30.58% – operator), Petoro (56%), Norske Shell (8.10%), Total E&P Norge (3.69%) and Conoco-Phillips Skandinavia (1.62%).



## MOONRAKER LANDING A POSSIBILITY



Offshore Decommissioning Services (ODS) has unveiled plans to build a UK flagged semi-submersible heavy lift vessel, to be named Moonraker 1. The vessel, to be delivered during the second quarter of

2021, is designed for single lifts of topsides up to 30,000 tonnes, and jacket and infrastructure up to 12,000 tonnes. To be manned by a crew of 70, the vessel has been developed as the first six column stabilised, self-propelled decommissioning vessel, and she will also be able to provide pipeline and bundle removal along with offshore installation projects, which coincide with the lifting capabilities. ODS will open its UK headquarters in

Dundee in early 2019 and will focus on the imminent decommissioning requirements in the North Sea, and subsequently operate around the world. The 2021 delivery is to coincide with an escalation in activity that ODS envisions for the decommission market. The Moonraker 1 will be built overseas but ODS have stated that they are committed to procuring much of the vessel's technical and heavy lift fit-out equipment in the UK.

## SPIRIT SUBMITS FORMS FOR PEGASUS WEST

Spirit Energy has submitted its Environmental Statement for the Pegasus West development to the UK authorities.

Spirit Energy will make a final investment decision (FID) on the southern North Sea field, which would be produced as a subsea tieback to the Cygnus Alpha complex, in 2019.

In advance of final sanction, the Environmental Statement sets out the steps Spirit Energy

will take to mitigate any impact of the development on the surrounding area. Should the Environmental Statement be approved and Pegasus West sanctioned, first gas from the field would be between 2021 and 2023.

Spirit Energy has selected a single well subsea tieback solution to the existing Neptune Energy-operated Cygnus gas development in Block 44/12.

It is envisaged that the subsea infrastructure will also enable tie-in of future economic volumes from the Greater Pegasus Structure.



## SUBSEA 7 RETAINS DSVI CONTRACT



Subsea 7 has been awarded a three-year extension to an existing Diving Support Vessel initiative (DSVi) frame agreement offshore the UK.

The agreement is with seven North Sea clients: Chevron North Sea, Dana Petroleum, Hess Denmark, Nexen Petroleum, Repsol Sinopec Energy UK, Shell UK and TAQA Bratani. Under this frame agreement, Subsea 7 will continue to provide diving support vessel services on a year-round basis, as well as associated project management and engineering services for up to 50 offshore facilities in the North Sea.

This award follows on from the original frame agreement that was awarded in 2009 and most recently extended in 2016. This year Shell became the seventh client to join the agreement.

It is understood that the operator group is planning a higher level of activity in 2019.

Subsea 7 utilised the VS 4285-designed Seven Kestrel exclusively for the 2018 campaign.

## GOLDENEYE DECOM PLAN SUBMITTED

Shell has submitted a draft decommissioning programme for its Goldeneye field installations and pipelines in the North Sea to the UK authorities. Goldeneye became operational as a gas producing field in 2004, and the last well was watered out in December 2010. The field was finally shut-in on February 16, 2011.

The plan indicates that all installations/structures will be fully removed during decommissioning. This will include the

removal to shore of the Goldeneye topside and jacket for recycling/disposal. The wells will be plugged and abandoned, and the large surface laid sections of pipeline will be trenched and buried and decommissioned in situ. The trenched and/or buried sections of pipelines will also be decommissioned in situ. The pipeline ends at the platform will be flanged, buried and/or remediated with rock cover. The Goldeneye umbilical will be recovered to shore for recycling/

disposal and surface laid mattresses and stabilisation features will be recovered to shore for recycling/disposal.



## VIKING NEPTUN SECURES SEASONAL WORK



Viking Neptune (pictured c/o J. Bartels)

Ocean Installer has entered into an agreement with Eidesvik to utilise the Salt 301-designed OCV Viking Neptun for seasonal term work between 2020 and 2021.

The OCV, which is equipped with a 400t subsea crane and accommodation for 150 persons, is currently working on Merkur

Offshore's wind farm. Merkur will hold onto the vessel until mid-May, with options available to extend the contract beyond this.

Reach Subsea has also entered into an agreement with Eidesvik Offshore to continue and extend the co-operation for the period 2019-2021.

## POLAR QUEEN FIXED FOR W2W DUTIES

An undisclosed operator has chartered GC Rieber Shipping's IMR support vessel Polar Queen for a 17-week firm plus 28 daily options contract for walk-to-work duties in the North Sea. The charter will commence in late May.

The ST254-L-CD-designed Polar Queen is equipped with an Uptime active motion compen-

sated gangway, with a maximum crane lift of 150 tonnes and accommodation for 112 persons. GC Rieber's Polar King and Polar Onyx vessels are on long-term charters, and with the recent charter of the Polar Queen, the vessel will be employed almost continuously from now until September 2019.

Seabrokers are proud to have

been involved in the Polar Queen fixture.



## 33-MONTH CHARTER FOR SOLSTAD OCV



**OCEAN INFINITY**

Ocean Infinity has entered into a contract with Solstad Offshore

to utilise one of its 250-tonne construction support vessels for 33 months, commencing during the third quarter of 2019.

Ocean infinity will utilise the vessel on its worldwide seabed mapping and survey services. The exact vessel involved has

yet to be confirmed, however Solstad has nine vessels that meet the 250-tonne criteria, some of which already have firm work during the start of the commencement in the third quarter of 2018.

## TWO-YEAR FIRM CONTRACT FOR NORMAND PIONEER

Queiroz Galvão Exploração e Produção (QGEP) has awarded Solstad Offshore a contract to utilise the UT 742-designed Normand Pioneer offshore Brazil for a period of two years. The charter will commence during the first quarter of 2019

and QGEP has two yearly options available thereafter. The 1999-built vessel, which is equipped with a 140t crane and accommodation for 73 persons, will support production of the operator's Atlanta field in the Santos Basin.



## AMPELMANN HIRES OUT TWO A-TYPE GANGWAYS

Ampelmann has secured two new contracts in the Asia Pacific region, which will see two of its A-type systems utilised in India and Indonesia respectively. MMA Offshore will install the A-type gangway on its multi-purpose support vessel MWV Falcon to enable top-side main-

tenance work offshore India for a duration of 195 days, with the possibility to extend. Ampelmann has also signed a contract to supply an A-type W2W system onboard the NPP Nusantara vessel, which is working offshore Indonesia with PT Bintang Subsea Indonesia.

The contract is for 30 days firm, with options to extend, for supporting personnel transfers between the vessel and a floating asset. The NPP Nusantara will be used as a floatel to accommodate the personnel needed at the location.



# RENEWABLES

## PETROBRAS ADDS OFFSHORE WIND



Petrobras will invest USD 417 million in wind energy, solar

energy and biofuels from 2019 to 2023, it was announced in their new Business and Management Plan (BMP). Petrobras will invest a total of USD 84.1 billion during the upcoming five-year period. Petrobras announced in August that it was developing a pilot offshore wind farm off the Gua-

maré municipality in the state of Rio Grande do Norte, aiming to have the project up and running in 2022. Equinor will collaborate on the development of offshore wind in Brazil. Petrobras plans to operate in profitable renewable energy businesses, with a focus on wind and solar energy in Brazil.

## FIRST OFFSHORE WIND FOR SOC

Ørsted North America has awarded Seaway Offshore Cables (SOC) a contract to supply and install inter-array cables at the Coastal Virginia Offshore Wind (CVOW) project in the USA, consisting of two 6MW turbines. Additionally, SOC will provide associated materials and

services, including the supply of submarine composite cables, cable protection systems and related accessories, as well as post-installation termination, trenching and testing services. Installation activities will take place in 2020 and the wind farm will be operational in December

2020. According to SOC, this contract marks the company's first offshore wind project in the USA.



## BOSKALIS SECURES OSTWIND 2 CONTRACT

Boskalis has secured the award to cover the export cable installation contract for the Ostwind 2 offshore grid connection. 50Hertz awarded the contract, which is worth more than EUR 250m, to Boskalis. This will be Boskalis' largest cable

installation contract and covers the design and installation of around 270km of export cable that will connect the Arcadis Ost 1 and Baltic Eagle offshore wind farms to the onshore substation in Lubmin, Germany. The project will commence in

2019 with a planned completion in 2022, and Boskalis will deploy a wide variety of vessels including trailing suction hopper and backhole dredgers, geophysical and geotechnical survey vessels, cable-laying vessels and a wide range of trenching tools.

## EDDA FAUNA BUSY THROUGH WINTER



Østensjø Rederi has secured a couple of renewables contracts which both began in November. A major European energy company, understood to be Vattenfall for work on the Horn Rev 3 windfarm, will utilise the IMR vessel Edda Fauna until it commences its firm contract

with DeepOcean on March 1, 2019. VMBS also awarded a contract to Østensjø Rederi where it will utilise the 2009-built Sun Enabler, which is equipped with a 70t offshore crane, 650m<sup>2</sup> of outside deck area and accommodation for 72 persons, through the winter.



# RENEWABLES

## YUNNEN SELECTS SUBSEA 7

YunNen Wind Power has awarded Subsea 7 a contract through Seaway Offshore Cables (SOC), an entity in Subsea 7's Renewables and Heavy Lifting Business Unit, for work on the Yunlin Offshore Wind Farm project in Taiwan. Under the deal, SOC will supply and install the export and inner-array grid cable system for

the 8MW 80-turbine wind farm. Additionally, SOC will also provide the pre-installation of horizontal drilling conduits, submarine cable route surveys, post lay trenching, termination and testing services. Offshore activities will take place in 2020.



## FINAL OUTFITTING FOR ACTA CENTAURUS



The Crist shipyard in Poland has completed the construction of the Acta Marine's third walk-to-work vessel, Acta Centaurus. The 93m newbuild has now

been mobilised to Ulstein Verft for final outfitting and for the installation of SMST-provided mission equipment: a motion compensated gangway and a 3D crane. Delivery of the vessel is expected during the second quarter of 2019.

The Acta Centaurus will provide accommodation for up to 120 persons and she will be

equipped with a hybrid battery pack, a helideck and a telescopic traffic compensation system. Upon delivery, the Acta Centaurus will join the Acta Auriga and Acta Orion as the third vessel in the Acta fleet dedicated for walk-to-work, offshore logistics and accommodation services in the offshore renewable sector.

## ORION LAUNCHED

COSCO Qidong shipyard launched DEME Group's 216m DP3 offshore installation vessel Orion on November 21. Once delivered, around the end of 2019, the Orion will be deployed to carry out the construction of the largest offshore wind farms, to service the oil and gas industry and for the decommissioning of offshore installations.

The newbuild will be equipped with a 5,000t Liebherr crane, which can lift loads to a height of more than 170m.

The Orion will also have dual-fuel engines, enabling her to run on liquefied natural gas (LNG). She will have a Green Passport and Clean Design notation.



## VIKING NEPTUN TO REMAIN ON MERKUR

The Viking Neptun will continue working for Merkur Offshore until mid-May with further optional extensions.

The contract with Siemens Gamesa for the charter of the Acergy Viking has been extended with one additional year and

she is now firm until the end of January 2021 with options available until the end of April.

## TERM CONTRACTS FOR SHELF DRILLING

Shelf Drilling has picked up a one-year contract extension for jackup Trident XIV offshore Nigeria. The rig is now contracted to ExxonMobil until February 2020, with a one-year option available. In the Middle East, Shelf has been awarded a three-year firm contract for jackup Compact Driller

offshore the UAE. The charter with ADNOC Drilling, due to start in the first half of 2019, has two further one-year options. Shelf has commented recently about rising jackup demand, with a substantial increase in tendering activity in both the Middle East and West Africa.



Trident XIV

## BORR FIRMS UP JACKUP CONTRACTS



Another contractor that has been voicing positive sentiment for the jackup sector is Borr Drilling, based primarily on rising demand in the Middle East and North Sea markets. Backing up this positivity, Borr had announced in September that it had entered into letters

of intent/agreement for four of its premium jackups, with advanced negotiations ongoing for a fifth. Since that time, firm contracts have been confirmed for all five rigs, contributing seven years worth of backlog in the North Sea, Southeast Asia and West Africa.

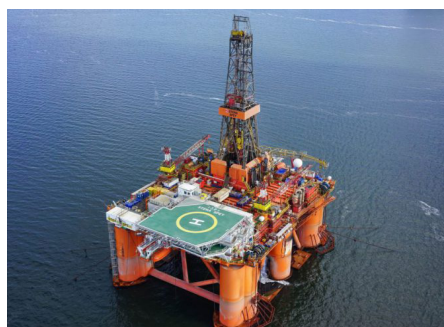
## BOLETTE DOLPHIN DEAL FALLS THROUGH

In early November, Fred Olsen Energy presented a refinancing proposal which, alongside various other elements, required the sale of drillship Bolette Dolphin, leaving FOE with four drilling rigs. Two weeks later, a binding agreement was entered into for a sale of the rig for USD 340 million. This

received support from all lenders, with the exception of one party. However, on 27th November, it was announced that the intended buyer had withdrawn their offer due to the "significant change in oil and equity prices coupled with the uncertainty around the restructuring and sale process."



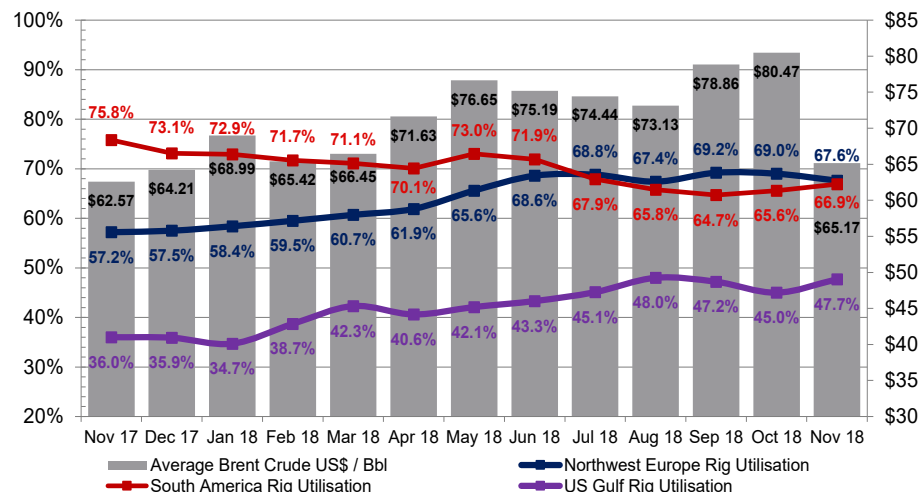
## STENA SPEY CONFIRMED FOR ALPHA DEAL



Alpha Petroleum has confirmed that a long-term contract has been awarded to Stena Drilling for semisubmersible rig Stena Spey to undertake development drilling at the Cheviot field in the UK sector of the North Sea. The rig, currently undergoing a yard stay in Norway, has

been chartered to drill 18 wells at Cheviot, with an estimated duration of 480-600 days. Prior to the commencement of the Alpha Petroleum contract, the Stena Spey is understood to be well-placed to pick up a short-term contract with Repsol Sinopec UK in the first quarter of 2019.

## OIL PRICE VS RIG UTILISATION



## MAERSK AND SEAPULSE ENTER INTO ALLIANCE

Maersk Drilling and Seapulse Ltd have entered into a Master Alliance Agreement whereby Maersk will provide fully integrated services, including the provision of drilling rigs, for a global oil & gas exploration drilling programme of 12 wells. The campaign is expected to commence around mid-2019, with an expected duration of circa 490 days. The work will span both shallow water and deep water wells in several

regions, requiring a combination of jackups, semisubmersibles and drillships from Maersk's fleet. The specific rig to be used will be determined on the basis of rig suitability and availability.

In other recent developments, Maersk Drilling has agreed to sell jackup rig Maersk Giant to an Australasian-based oil & gas operator to be used for their local operations. The deal is expected to close before the end of 2018.

## RIG UTILISATION AND DAY RATES

UTILISATION	NOV 2018	NOV 2017	NOV 2016	NOV 2015	NOV 2014
NORTHWEST EUROPE	67.6%	57.2%	55.0%	75.4%	94.3%
SOUTH AMERICA	66.9%	75.8%	76.8%	84.6%	94.8%
US GULF	47.7%	36.0%	34.1%	44.2%	62.4%

RECENT DAY RATE BENCHMARKS	LOW (USD)	HIGH (USD)
UK HARSH HIGH SPEC JACKUPS	72,500	85,000
NORWAY HARSH HIGH SPEC JACKUPS	145,000	275,000
UK HARSH STANDARD SEMISUBS	100,000	130,000
NORWAY HARSH STANDARD SEMISUBS	180,000	180,000
GLOBAL ULTRA-DEEPWATER SEMISUBS	130,000	200,000
GLOBAL ULTRA-DEEPWATER DRILLSHIPS	150,000	198,000

INACTIVE RIGS NORTHWEST EUROPE		
NAME	TYPE	STATUS
BAUG	JU	COLD STACK
BIDEFORD DOLPHIN	SS	WARM STACK
BLACKFORD DOLPHIN	SS	WARM STACK
BORGLAND DOLPHIN	SS	WARM STACK
BYFORD DOLPHIN	SS	WARM STACK
COSLINNOVATOR	SS	WARM STACK
COSLPIONEER	SS	HOT STACK
COSLPROSPECTOR	SS	WARM STACK
EIR	JU	COLD STACK
ENSCO 70	JU	COLD STACK
ENSCO 71	JU	COLD STACK
ENSCO 100	JU	WARM STACK
ENSCO 121	JU	HOT STACK
ISLAND INNOVATOR	SS	WARM STACK
MAERSK GALLANT	JU	WARM STACK
MAERSK GIANT	JU	COLD STACK
MAERSK RESILIENT	JU	WARM STACK
MAERSK RESOLVE	JU	HOT STACK
OCEAN GUARDIAN	SS	WARM STACK
POLAR PIONEER	SS	COLD STACK
PROSPECTOR 1	JU	HOT 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
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

Source: IHS-Petrodata

# CONUNDRUM CORNER, DUTY PHONES

## CONUNDRUM CORNER

**Last month's answer :-** You are standing before two doors. One leads to heaven and the other leads to hell. There are two guardians, one by each door. Heaven's guardian always tells the truth but Hell's always lies.

You can only ask one guardian one question to find the way to Heaven. What is the question?

The correct answer was :- "If I ask the other guard which door leads to Heaven, which door would he point to?" When the guard points to one door, you need to walk through the other door instead. (The honest guard would point to the door to Hell because the honest guard would know that the liar would not point to the door to Heaven. The lying guard would also point to the door to Hell because the lying guard would know that the honest guard would point to Heaven, and would therefore lie about it and point to the Hell door anyway).

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

- Calculate the numbers below in the order shown; do not change the order of the numbers.
- Replace each question mark with a mathematical sign. Plus, minus, multiply and divide can each be used only once.
- What are the highest and lowest numbers you can possibly score?

7 ? 4 ? 9 ? 3 ? 8 =

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

## SEASON'S GREETINGS

From everyone at Seabrokers, we would like to express our gratitude for your continued support throughout 2018. We wish our readers all the very best for 2019, and we look forward to working with you all on the challenges that lie ahead next year and beyond.

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## SEABROKERS GROUP CONTACTS

### SEABROKERS HEAD OFFICE

Forusbeen 78 - 4033 Stavanger - Norway  
Tel: (+47) 51 80 00 00  
Internet: [www.seabrokers-group.com](http://www.seabrokers-group.com)

### SEABROKERS CHARTERING AS - STAVANGER

Duty Telephone ++47 51 815400 (24 Hrs)  
E-mail [chartering@seabrokers.no](mailto:chartering@seabrokers.no)

### SEABROKERS LTD - ABERDEEN

Duty Telephone ++44 1224 747744 (24 Hrs)  
Duty Mobile ++44 7802 304129  
E-Mail [chartering@seabrokers.co.uk](mailto:chartering@seabrokers.co.uk)

### SEABROKERS BRAZIL LTDA - RIO DE JANEIRO

Duty Telephone ++55 21 3505 4200 (24 Hrs)  
E-mail [chartering@seabrokers.com.br](mailto:chartering@seabrokers.com.br)

### SECURALIFT AS - STAVANGER

Telephone ++47 51 800000  
E-mail [stig@seabrokers.no](mailto:stig@seabrokers.no)

### SEA SURVEILLANCE AS - BERGEN

Telephone ++47 55 136500  
E-mail [info@seasurv.net](mailto:info@seasurv.net)

### SEABROKERS EIENDOM AS - STAVANGER

Telephone ++47 51 800000  
E-mail [frode.albretsen@seabrokers.no](mailto:frode.albretsen@seabrokers.no)

### SEABROKERS SERVICES AS - STAVANGER

Telephone ++47 51 800000  
E-mail [eli@seabrokers.no](mailto:eli@seabrokers.no)

### SEABROKERS FUNDAMENTERING AS - STAVANGER

Telephone ++47 51 800000  
E-mail [fundamentering@seabrokers.no](mailto:fundamentering@seabrokers.no)

### SEABROKERS HAVNEKRANER AS - STAVANGER

Telephone ++47 51 800000  
E-mail [havnekraner@seabrokers.no](mailto:havnekraner@seabrokers.no)