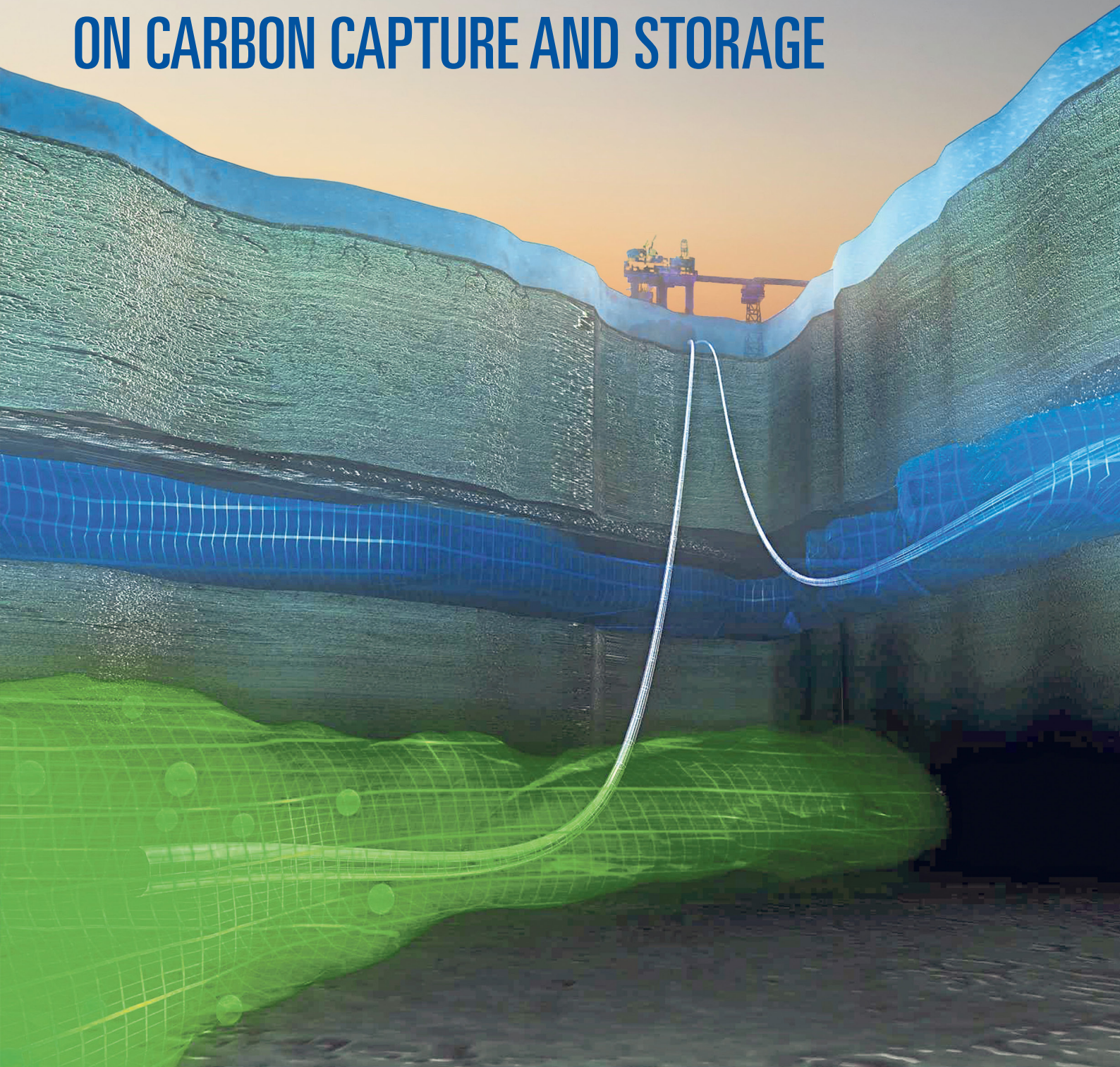


# SEABREEZE

THE SEABROKERS MONTHLY MARKET REPORT

SEPTEMBER 2019

## OIL & GAS INDUSTRY DOUBLES DOWN ON CARBON CAPTURE AND STORAGE





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# OSV MARKET ROUND-UP

## MIXED FORTUNES FOR CHARTERERS

Through the end of September, average spot PSV rates in the North Sea are higher than they have been for any year since the downturn started back in 2014. The 'Allseas effect' has had a significant impact, with 10-15 PSVs removed from the North Sea market at various points during the year to perform pipehaul support for Allseas at the Nord Stream 2 Project in the Baltic Sea. Nevertheless, an increase to regional demand levels has enabled owners to achieve more satisfactory returns on the spot market this year. While it is inevitable that the market will start to soften as we move towards winter, North Sea owners will be hoping that the 2019 rates will be here to stay for the longer term.

In the AHTS sector, it has been another month with contrasting fortunes for charterers on the spot market. Some companies were able to secure tonnage at rates of less than GBP 15,000 (NOK 168,000) per day, while several others found themselves exposed to a rapidly tightening market and were faced with day rates in excess of GBP 60,000 (NOK 670,000). While the total number of fixtures was not noticeably higher than for other months of the year, the average fixture rate for September was the highest of 2019 thus far (see p.8).

## DOUBLING DOWN ON CARBON CAPTURE

With ever growing concern about both the causes and impact of climate change around the globe, the oil industry is ramping up its efforts to reduce carbon emissions.

A new plan has been launched by the Oil and Gas Climate Initiative (OGCI) to unlock large-scale investment in carbon capture, use and storage (CCUS), with backing received from 13 oil & gas companies including BP, Chevron, CNPC, Eni, Equinor, ExxonMobil, Occidental, Pemex, Petrobras, Repsol, Saudi Aramco, Shell and Total.

The KickStart initiative has been designed to help decarbonise multiple industrial hubs around

the world, starting with five hubs in the UK, USA, Norway, the Netherlands and China. The aim of the programme is to create the necessary conditions to facilitate a commercially viable, safe and environmentally responsible CCUS industry, with an aspiration to double the amount of carbon dioxide that is stored globally before 2030.

In Norway, Equinor (on behalf of its Northern Lights partnership with Shell and Total) will soon drill an exploration well to verify whether subsea strata west of the Troll field in the North Sea can be used for CO<sub>2</sub> injection and storage. The well will be drilled with Seadrill semisubmersible West Hercules.

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## NORWAY DRAWS BIDS FROM 33 COMPANIES

Norway's Ministry of Petroleum and Energy received applications from 33 companies for its Awards in Predefined Areas (APA) 2019 licensing round.

Most of the companies already active in Norway participated in this round, which was offering acreage in the best-known sectors of the Norwegian continental shelf. The level of interest generated for acreage in the Norwegian Sea and Barents Sea was at a similar level as APA 2018, while there was a slight reduction in the number of bids for acreage in the North Sea.

The list of the 33 participating companies includes Aker BP, Capricorn, Chrysaor, Concedo, ConocoPhillips, DEA, DNO, Edison, Equinor, Idemitsu, Ineos, Lime Petroleum, Lotos E&P, Lukoil, Lundin, M Vest Energy, Neptune Energy, Norske Shell, OKEA, OMV, ONE Dyas, Pandion Energy, Petrolia NOCO, PGNiG, Repsol, RN Nordic Oil, Source Energy, Spirit Energy, Suncor, Total, Vår Energi, Wellesley and Wintershall.

The Ministry is planning to announce which bids have been successful in early 2020.

# OSV MARKET ROUND-UP

## TOTAL SELECTS SOLSTAD AGAIN FOR SOUTH AFRICA

Total has selected the services of Solstad Offshore again to support its drilling operations offshore South Africa.

Having made a substantial play-opening discovery at its Brulpadda well earlier this year, Total has contracted the same rig, Odfjell's Deepsea Stavanger, for a follow-up programme in 2020.

Last year, Solstad supplied Total with the Normand Ranger and Normand Starling as two of the support vessels for the exploration well. Now, Total has awarded contracts to Solstad to charter the large AHTS vessels Normand Drott and Normand Prosper for the next campaign.



*Normand Prosper*

The drilling programme is expected to take up to 280 days to complete, not including mobilisation or demobilisation time, with an expected start date during the first half of 2020.

The Normand Drott is currently working in the Caribbean while the Normand Prosper is trading the North Sea spot market. Both the Drott and Prosper are of the STX (VARD) AH 12 design.

## SIRIUS SUPPORTING OKEA



*Trolls Sirius (pictured c/o O. Halland)*

Tidewater will be providing OKEA with the support PSV while the company drills its first operated wells offshore Norway. The Trolls Sirius, a VARD PSV 09 CD vessel, has been chartered for two firm wells with an estimated duration of

four to six weeks. OKEA will be drilling appraisal wells 6407/9-11 and 12, in connection with the Draugen field in the North Sea, with Odfjell semisubmersible rig Deepsea Nordkapp. Operations are scheduled to commence in early October.

## REPSOL STICKS WITH ISLAND

With the Island Challenger having recently concluded a term contract with Repsol, the charterer has turned to Island Offshore once more for PSV support. This time, the Island Chieftain has been contracted for a firm period of six months with

six further one-month options available. The vessel went on hire in late September.

The Island Chieftain is a 2009-built UT 776 CD PSV. She has a length of 93m, breadth of 20m, deck area of 1,008m<sup>2</sup> and a deadweight of 4,790t.



*Island Chieftain (pictured c/o O. Halland)*



# OSV MARKET ROUND-UP

## BAREBOAT DEALS FOR BOA VESSELS

Having gone through a period of marketing the vessels for sale without managing to reach a successful agreement, Boa Offshore has instead managed to secure bareboat charters for the Boa Bison and Boa Jarl.

The AHTS vessels have been chartered to the Norwegian Coastguard (Kystvakten) for a firm period of five years with five further one-year options. The bareboat contracts are scheduled to commence in December.

Both vessels were built to the VS 491 CD design by Bergen Group Fosen in Norway, with the Boa Bison entering service in 2014 and the Jarl in 2015. The units have a length of 91m, breadth of



Boa Bison

22m, deck area of 828m<sup>2</sup> and a deadweight of 3,790t. They have a bollard pull of circa 270t.

Both vessels have spent the majority of their time in service

trading the North Sea spot market. However, they have both been laid up in Poland since late 2018 following the completion of their most recent contracts with Gazprom offshore Russia.

## HERMITAGE PAIR FOR HESS



Hermit Horizon (c/o DanoAberdeen)

A pair of Hermitage Offshore PSVs have gone on hire with Hess Denmark. The Hermit Horizon and NAO Prosper have been contracted to support Hess' one-well drilling campaign with jackup rig Maersk Resilient in the Danish sector of the North

Sea. This programme should keep the vessels occupied until late October.

The Hermit Horizon, a VARD 1 08 PSV, has been in service since 2016, while the NAO Prosper, an Ulstein PX 121 PSV, has been in service since 2012.

## ATLANTIC AWARDED UK FIXTURES

Atlantic Offshore has been awarded contracts in the UK sector for two of its ERRVs. The recently upgraded Ocean Don (former Bravo Topaz) has been chartered by Equinor for a one-well firm contract, while the Ocean Tay has been awarded

a new two-year firm contract with Repsol Sinopec Resources. This contract, which comes with five further one-year options, will commence in January 2020 in direct continuation of the vessel's current contract with the same charterer.



Ocean Tay (pictured c/o S. Samosa)

# OSV MARKET ROUND-UP

## WINTER COVERAGE FOR GOLDEN ENERGY



Energy Empress (pictured c/o O. Halland)

Golden Energy Offshore has secured term charters outside the North Sea for two of its PSVs. The Energy Duchess and Energy Empress, which both entered service in the second quarter of this year, have been chartered by an undisclosed client for a minimum period of 90 days. The

vessels have already departed the North Sea, where they have been trading the spot market in recent weeks. This fixture secures contract coverage for both vessels at a time when the North Sea market often starts to experience a seasonal slow down in activity levels.

## PETROBRAS RETAINS SOLSTAD VESSELS

In addition to picking up term contracts for a pair of AHTS vessels in South Africa, Solstad Offshore has also been successful in keeping two of its AHTS vessels continuously utilised in South America.

Petrobras has exercised one-year options on its contracts with the

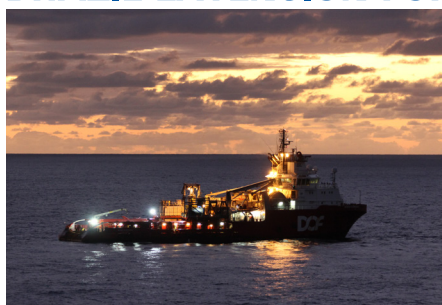
Far Santana and Far Scout. That will keep both vessels occupied in Brazil until at least the third quarter of 2020.

The Far Santana is a 2000-built UT 730 vessel with a bollard pull of 203t while the Far Scout is a 2001-built UT 722 L vessel with a bollard pull of 186t.



Far Santana (pictured c/o Capt J. Plug)

## BRAZIL EXTENSION FOR DOF



Skandi Fluminense (c/o Capt J. Plug)

Staying in Brazil, Petrobras has also awarded DOF / Norskan Offshore a similar one-year contract extension for its AHTS vessel Skandi Fluminense. As with the Solstad fixtures, this vessel is now committed until the third quarter of 2020. The Fluminense has one work-class

ROV on board that is operated by DOF Subsea.

Built to the same design as the Far Scout (UT 722 L), the Skandi Fluminense entered service in 2007. She has a length of 80.4m, breadth of 18m and a deadweight of 2,600t. She has a bollard pull of 211t.

## EXTENDED DRYDOCKING SCHEME FOR TOPAZ PSV

Topaz Energy and Marine has entered PSV Caspian Voyager into the ABS Extended Dry-Docking (EDD) scheme. This will extend the vessel's maximum drydocking period from 5 to 7.5 years, allowing Topaz to undertake In-Water Surveys (IWS) and thereby

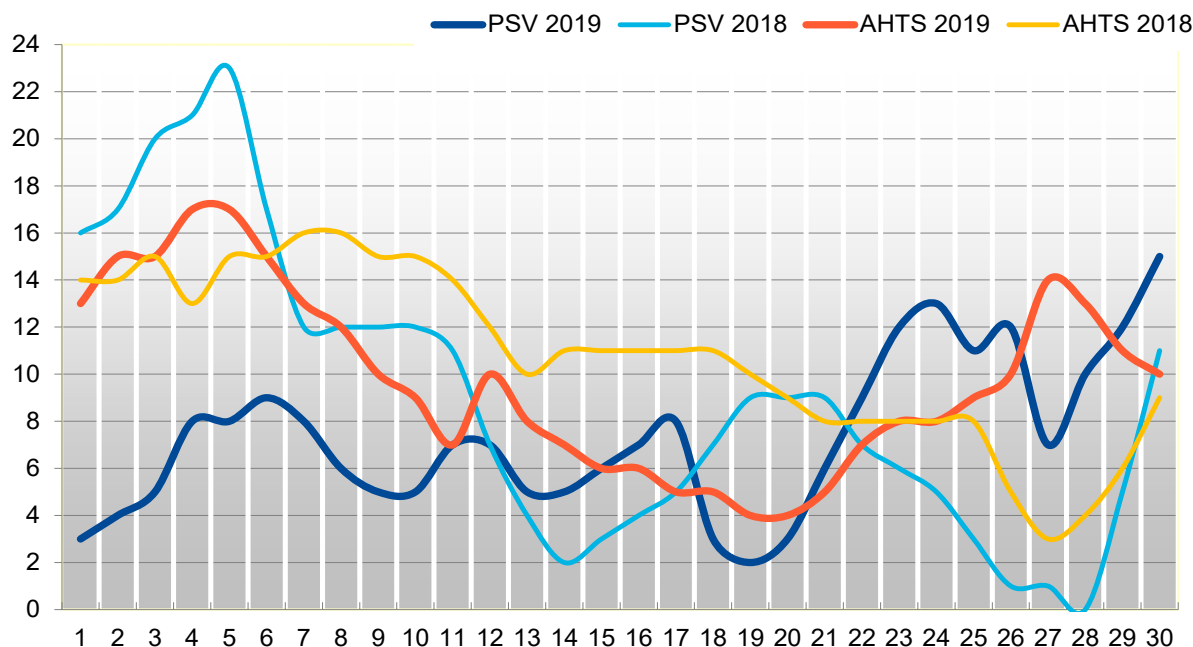
increase the vessel's availability and productivity. This forms part of Topaz's efforts to move its fleet towards a condition-based model, where they will target critical areas for repair and prioritise maintenance in line with class and regulatory requirements.



Caspian Voyager (pictured c/o G. Curran)

# OSV RATES & UTILISATION

## SEPTEMBER 2019 - DAILY NORTH SEA OSV AVAILABILITY



## RATES & UTILISATION

### NORTH SEA SPOT AVERAGE UTILISATION SEP 2019

TYPE	SEP 2019	AUG 2019	JUL 2019	JUN 2019	MAY 2019	APR 2019
MED PSV	77%	78%	70%	70%	72%	86%
LARGE PSV	78%	72%	74%	75%	80%	80%
MED AHTS	66%	71%	61%	77%	44%	40%
LARGE AHTS	61%	78%	59%	73%	65%	50%

### NORTH SEA AVERAGE RATES SEP 2019

CATEGORY	AVERAGE RATE SEP 2019	AVERAGE RATE SEP 2018	% CHANGE	MINIMUM	MAXIMUM
SUPPLY DUTIES PSVs < 900M <sup>2</sup>	£11,161	£8,396	+32.93%	£6,736	£18,000
SUPPLY DUTIES PSVs > 900M <sup>2</sup>	£10,434	£9,104	+14.61%	£6,736	£22,000
AHTS DUTIES AHTS < 22,000 BHP	£35,871	£9,717	+269.16%	£10,707	£75,000
AHTS DUTIES AHTS > 22,000 BHP	£33,057	£14,048	+135.31%	£11,227	£75,845

## SPOT MARKET ARRIVALS & DEPARTURES - SEPTEMBER 2019

### ARRIVALS - NORTH SEA SPOT

DEFENDER	NEWBUILD
MANTA	EX MEDITERRANEAN
SEA GOLDCREST	EX BALTIC SEA

### DEPARTURES - NORTH SEA SPOT

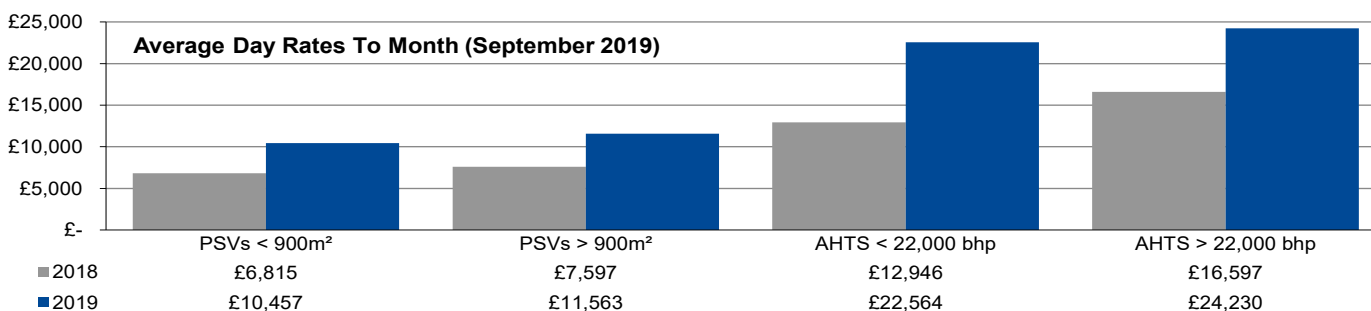
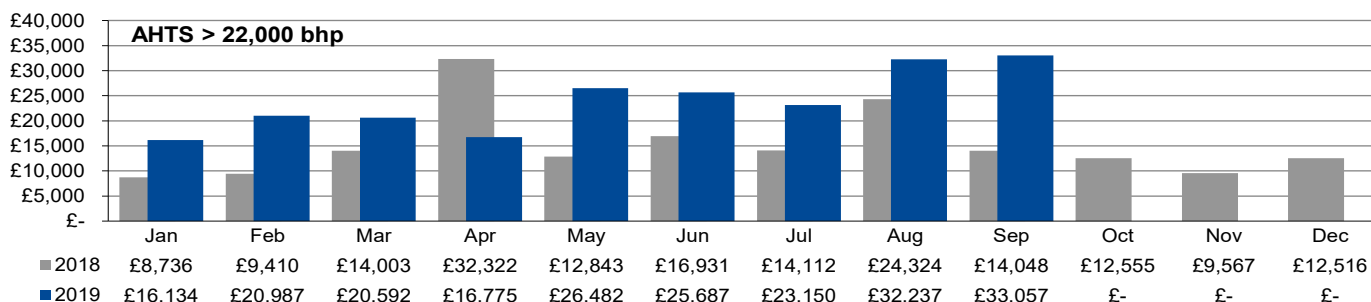
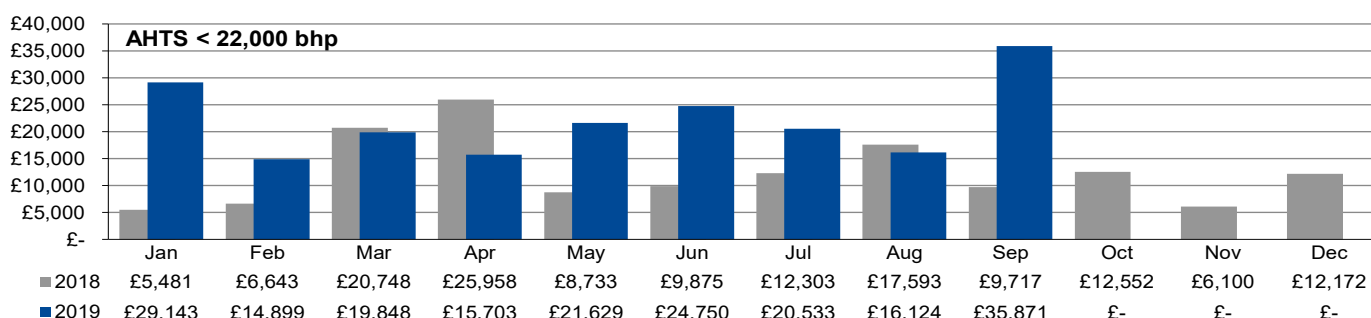
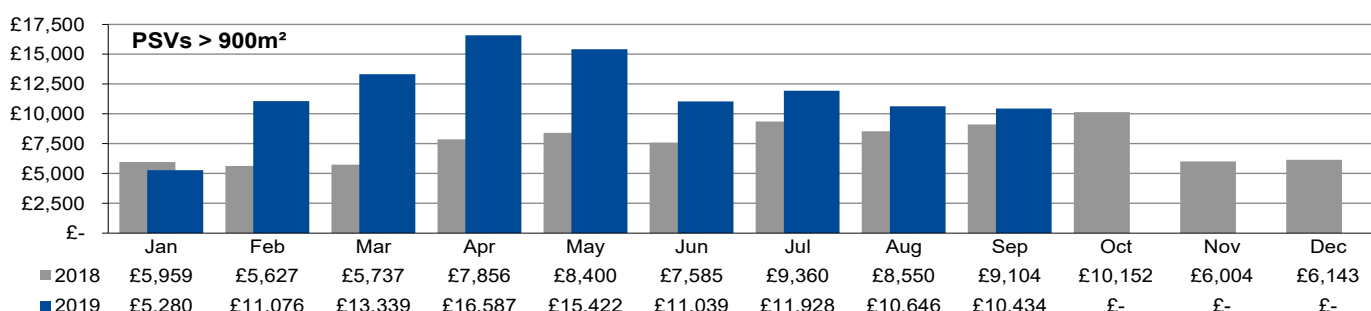
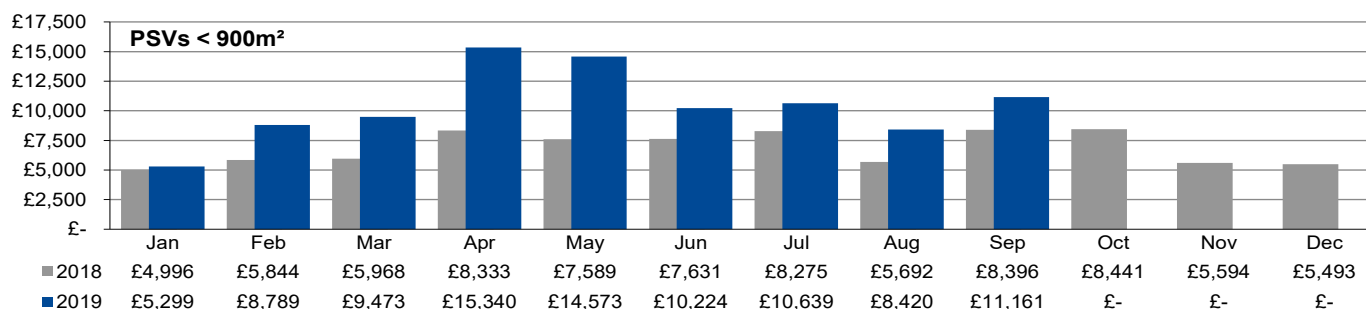
BB TROLL	SPAIN
ENERGY DUCHESS	BLACK SEA
ENERGY EMPRESS	BLACK SEA
MAERSK LANCER	WEST AFRICA

### DEPARTURES CONTINUED

MAERSK LASER	WEST AFRICA
MAERSK MAKER	WEST AFRICA
UP AGATE	MEXICO

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

# NORTH SEA AVERAGE SPOT RATES





# FEATURE VESSEL

## ESVAGT ALBERT BETZ



**Esvagt has held a christening ceremony for its latest SOV, the Esvagt Albert Betz, at the Port of Eemshaven in the Netherlands.**

The Esvagt Albert Betz has been chartered on a 15-year contract to service the 33 MHI Vestas wind turbines at the 296MW Deutsche Bucht wind farm offshore Germany. The newbuild vessel was specifically designed to service this wind farm.

There are only two turbines left to be installed at Deutsche Bucht, and they are scheduled to become operational during the fourth quarter of this year.

Built to the Havyard 831 design, the Esvagt Albert Betz has a length of 58.5m, a beam of 16.6m and accommodation for 42

persons. She is equipped with an SMST walk-to-work gangway, complete with a bespoke tower with a crane on top. The stepless elevator on the vessel is designed to allow full access for people and cargo.

The Esvagt Albert Betz was built at the Zamakona shipyard in Bilbao in northern Spain.

The vessel name honours the late Albert Betz, who was a German pioneer in the study of wind energy. Mr Betz put forward the theoretical formulas for the maximum utilisation of wind energy through a wind turbine generator.



### ESVAGT ALBERT BETZ SPECS:

**Build Yard:** Zamakona  
**Delivery Year:** 2019  
**Design:** Havyard 831 SOV  
**LOA:** 58.5m  
**Breadth:** 16.6m  
**Max Draft:** 5.6m  
**Gangway:** SMST  
**Accommodation:** 42 persons  
**Transfer Personnel:** 3m Hs  
**Flag:** Denmark  
**Deadweight:** 1,000t  
**Dynamic Positioning:** Class 2

# NEWBUILDS, CONVERSIONS, S&P

## DEFENDER JOINS NORTH SEA SPOT MARKET



Newbuild PSV Defender is now trading the North Sea spot market under the management of Viking Supply Ships. Built to the UT 717 CDX design, the vessel has a length of 86m, a beam of 18.5m and a deck area

of approximately 900m<sup>2</sup>. She has a deadweight of 4,200t, a deck cargo capacity of 2,500t and accommodation for 26 persons. The Defender is equipped with both FiFi II and oil recovery equipment.

## SIXTH SEACOSCO PSV IN SERVICE

The Seacosco Parana has been mobilised to Singapore following her recent delivery from the COSCO Guangdong Shipyard in China. This is the sixth PSV in the fleet of Seacosco Offshore, the joint venture between

SEACOR Marine Holdings and COSCO. There are two more newbuilds still to be delivered. Six of the vessels, including the Parana, are of the UT 771 WP design, with the other two built to the UT 771 CDL design.



## MAKAMIN MOBILISING NEWBUILDS TO MIDDLE EAST



MKN 204 (pictured c/o F. Lau)

Makamin Offshore Saudi Ltd is in the process of mobilising newbuild AHTS vessels MKN 204 and MKN 205 to the Middle East following their delivery from the Fujian Southeast yard in China. The 65m vessels were

built to a Khiam Chuan Marine design. They were originally part of a six-vessel package ordered by Vroon Offshore, although only the VOS Challenge and Champion eventually made it into the Vroon fleet.

## WORLD OPAL SOLD OUT OF MARKET

Former World Wide Supply PSV World Opal has been acquired by Eidsvaag in Norway. She will be renamed as Eidsvaag Opal and permanently removed from the offshore market. The vessel

will be converted to work as a feed boat in the fisheries sector. In other S&P news, Solstad Offshore has sold the Far Saltire, a 2002-built UT 728L AHTS vessel, to undisclosed buyers.



World Opal (pictured c/o P. Ionescu)

## RECENT DELIVERIES OF NEWBUILD OSVs

NAME	TYPE/DESIGN	OWNER / MANAGER	COMMITMENT
DEFENDER	UT 717 CDX PSV	VIKING SUPPLY SHIPS	NORTH SEA SPOT
MKN 204	65M KCM AHTS	MAKAMIN OFFSHORE SAUDI LTD	TBC
MKN 205	65M KCM AHTS	MAKAMIN OFFSHORE SAUDI LTD	TBC
SEACOSCO PARANA	UT 771 WP PSV	SEACOSCO OFFSHORE	TBC

## SUBSEA MARKET ROUND-UP

There have been some bumps along the road for the proposed merger between Prosafe and Floatel. The UK Competition and Markets Authority (CMA) will refer the proposed merger to a more in-depth Phase 2 process, after the first phase raised some competition concerns.

The proposed combination would create the world's largest owner of semisubmersible accommodation rigs, and the UK CMA raised concerns that the deal could reduce competition in the supply of flotels for projects on the UK continental shelf.

Following the news of the Phase 2 review, Prosafe announced that it will apply for a three-

week extension in order to evaluate whether to enter into the Phase 2 process.

However, it is not just on the UK side of the North Sea where concerns have been raised, with the Norwegian Competition Authority also announcing that it might consider intervening to prevent the merger.

The Norwegian Authorities had similar concerns to the UK CMA regarding competition but went further in their review by stating that Prosafe and Floatel are the only suppliers that can offer modern semisubmersible accommodation units on the Norwegian continental shelf. While there are other suppliers

who are in a position to offer accommodation units, they are not fully comparable to the semi-submersible units of Prosafe and Floatel, and unable to compete for all contracts.

Prosafe and Floatel have already presented remedial measures to the NCA to ensure customers on the Norwegian continental shelf have access to sufficient vessel capacity at short notice and on competitive terms. At this stage, these measures have not yet been accepted by the NCA.

In the near-term, Prosafe and Floatel will submit responses to the NCA's considerations. A final decision is expected towards the end of October.

## TOTAL AWARDS LAPA INSTALLATION CONTRACT



Subsea 7 has been awarded a contract with Total covering the development of the Lapa North

East field off the State of São Paulo in Brazil.

The work scope will consist of the transportation, installation and pre-commissioning of 35 km of flexible pipelines and 20 km of umbilicals, connecting five wells to the FPSO Cidade de

Caraguatatuba.

Offshore activities are scheduled to commence during the fourth quarter of this year.

The Lapa field is located in the Santos Basin, in water depths of approximately 2,150m (7,054ft).

## PRYSMIAN RETAINS NORMAND PACIFIC

Prysmian Powerlink has exercised an option to extend its contract with Solstad Offshore pipelay vessel Normand Pacific. The extension covers a two-year firm period, which will keep the ST-256L designed vessel busy until the end of 2021. Three years of options are available

thereafter.

The 2010-built Normand Pacific has a length of 122.4m. She is equipped with a 200-tonne crane, 1,400m<sup>2</sup> of deck space and accommodation for 120 persons. The vessel originally started working with Prysmian in August 2016.





## SUBSEA 7 SCORES QUARTET IN SAUDI ARABIA

Subsea 7 has successfully picked up a quartet of awards in Saudi Arabia in co-operation with L&T Hydrocarbon Engineering (LTHE), a subsidiary of Larsen & Toubro.

All four awards came from Saudi Aramco, with the most recent covering the Marjan Increment Projects – Package 2.

This engineering, procurement, construction and installation (EPCI) contract will cover the new tie-in platforms, production

deck manifolds, approximately 217 km of rigid pipelines, 145 km of power cables, and a fiber optic cable in the Marjan field. Offshore execution is due to take place in 2021 and 2022.

This follows the consortium securing the EPCI contracts for a total of 28 jackets.

That total consists of eight new jackets to be installed in the Marjan and Zuluf fields, ten jackets in the Safaniya and Zuluf fields, including a pipeline

decommissioning scope, and a further ten jackets in the Zuluf and Ribyan fields. The work scope for this contract commenced immediately and offshore execution is due to take place in 2020.

**subsea 7**

## REPSOL LOOKS TO PIONEERING SPIRIT

Allseas has been successful in securing a contract with Repsol for the removal, transfer, load-in to shore and disposal of its Gyda platform from the Norwegian North Sea.

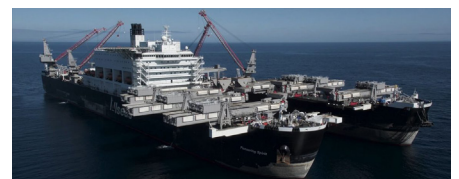
The contract will cover both the 18,000-tonne topsides and 11,200-tonne jacket.

Repsol will also have an option to include the re-installation of the platform on another field, while also retaining an option to

utilise Allseas on the removal, transfer, load-in and disposal of the jacket's 32 conductors, weighing a total of 3,100 tonnes. Allseas will utilise its heavy lift vessel Pioneering Spirit for the project. The mammoth vessel's jacket lift system will be used because the jacket on the field was vertically fabricated and installed back in the 1990s, meaning the structure cannot sustain loading in the horizontal

position during transport. This will result in the Pioneering Spirit transporting the jacket in a near-vertical position of 60 degrees.

The platform removal has been scheduled between late 2020 and 2023.



## SLEIPNIR BREAKING RECORDS ON LEVIATHAN



Hereema's newbuild SSCV (subsea construction vessel) Sleipnir has broken the world record for the heaviest lift by a crane vessel while installing

the topsides for Noble Energy's Leviathan development offshore Israel. The record was broken when the LNG-powered vessel lifted a module weighing 15,300 tonnes. The Sleipnir installed the two main topsides, totalling 24,500 tonnes, in just 20 hours. That was the vessel's inaugural installation scope since her delivery from Sembcorp Marine in Singapore in July.

The production decks for Leviathan, comprising five different production units, are being transported to Israel on four barges. The jacket had been installed in February, while the subsea pipelines and production manifold were installed during the first quarter of 2019. The project is on track and on budget with first gas sales scheduled by the end of the year.

## ISLAND CONSTRUCTOR GETS FURTHER APPROVAL

The Petroleum Safety Authority in Norway has approved Vår Energi's plan to utilise Island Offshore's well intervention vessel Island Constructor at the Goliat field in the Barents Sea. The operator had previously gained consent for the use of the vessel at wells 7122/7-C-1 AH and 7122/7-C-4 H, but the

consent also now includes well intervention at wells 7122/7-B-4 Y1H/Y2H, 7122/7-C-3 Y1H/Y2H, 7122/7-C-2 H and 7122/7-B-3 H. The SX 121-designed Island Constructor is equipped with a 100-tonne National Oilwell MHT tower, two work-class ROVs and a 140-tonne crane. The vessel has accommodation for 90

persons; she arrived at the Goliat field in early September 2019 to commence operations.



## ALLSEAS SECURES EPCI ON BAROSSA



Santos has awarded Allseas the gas export pipeline contract for the Barossa project offshore Australia. The contract covers

the engineering, procurement, construction and installation of the 260km gas export pipeline. The Barossa project is currently in the front-end engineering design phase. It will include an FPSO facility, subsea production system and gas export pipeline. FID is

planned for early next year. To remind, the gas export pipeline will tie the Barossa gas field into the existing Bayu Undan field to the Darwin Pipeline. Earlier this year, TechnipFMC was awarded the EPC contract covering the subsea production system.

## PICKERILL DECOM APPROVED

UK authorities have approved Perenco's decommissioning plan for the Pickerill gas field. The installations on the field include Pickerill Alpha (A) and Pickerill Bravo (B), which are connected via two pipelines, a

16-inch export gas pipeline, and the 3-inch methanol pipeline. Pickerill A is connected to the Theddlethorpe Gas Terminal via a 24-inch gas export pipeline and a 3-inch methanol pipeline. The current plan is to remove the

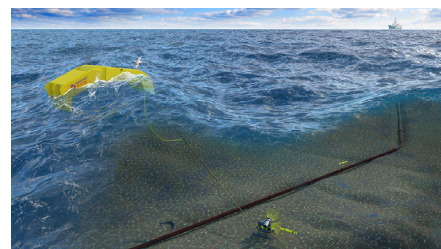
topsides and the jackets using a heavy lift vessel, but other options are being considered. Both the topsides and jackets will be removed to shore for recycling or disposal.

## WAVE TECH TO POWER SUBSEA EQUIPMENT

Mocean Energy, a wave energy firm, has secured new funding to commercialise its Seabase technology. Scottish Enterprise has provided GBP 100,000 for the technical development, and the Oil & Gas Technology Centre has awarded a further GBP 100,000 for commercial development. Seabase is a wave energy machine, small enough

to fit in a shipping container, that can generate power in the harsh environment of the North Sea, allowing operators access to use ocean waves to power subsea equipment. Mocean Energy is one of a select group of firms which has benefitted from the 16-week TechX accelerator programme, designed to help innovative start-ups on the road

to commercial success. Mocean Energy is now seeking oil and gas partners to help bring the innovative technology to market.



# RENEWABLES

## MERCUR SOV DEPARTS POLAND



Bernhard Schulte Offshore's newbuild SOV, which is destined for GE Renewable Energy's 369MW Merkur wind farm in Germany, has left the CRIST shipyard in Poland.

Ulstein Verft is set to deliver the 93.5m long vessel to Bernhard Schulte in January 2020. Upon delivery, the SOV will depart for the Merkur wind farm where it will support the maintenance of the 66 GE Haliade 150-6MW turbines.

The SX195 designed newbuild will provide accommodation for up to 120 persons, and she

is equipped with a centrally positioned walk-to-work motion compensated gangway and elevator tower for personnel and cargo transfers.

The vessel will also feature a 3D-motion compensated knuckle jib crane from Red Rock, as well as a complete winch package and a container skidding system from Palfinger Marine.

## DEEPOCEAN TO SPLIT BUSINESS

DeepOcean plans to split its DeepOcean UK organisation into two entities, including the DeepOcean Cable Lay and Trenching business.

The company will create a cable installation unit, to be called

DeepOcean Subsea Cables, and a new division for its seabed intervention and trenching business.

DeepOcean Subsea Cables, to be headquartered in Darlington in the UK, will focus on continuing

to deliver cable installation services as well as maintenance and repair services. The seabed trenching division will be headquartered at the Port of Blyth.

## DEEPOCEAN

## PROJECTS AWARDED ON REDUCED STRIKE PRICE

The winning bids for offshore wind projects in the UK's third Contracts for Difference (CfD) Allocation Round have come in with a strike price as low as GBP 39.65/MWh, a near 30% reduction compared to the last auction in 2017. In total, six offshore wind projects with a combined capacity

of 5,466MW have been selected in the latest round, with the strike prices ranging from GBP 39.65/MWh to GBP 41.61/MWh. The six projects include the 1,200MW Doggerbank Creyke Beck A P1 (strike price of GBP 39.65/MWh), the 1,200MW Doggerbank Creyke Beck B P1 (GBP 41.61/

MWh), the 1,200MW Doggerbank Teeside A P1 (GBP 41.61/MWh), the 12MW Forthwind (GBP 39.65/MWh), the 454MW Seagreen Phase 1 (GBP 41.61/MWh), and the 1,400MW Sophia Phase 1 (GBP 39.65/MWh). The projects will be commissioned between 2023 and 2025.

## EQUINOR AND SSE TO BUILD LARGEST WIND FARM

Equinor and its partner SSE have been awarded the contracts to develop three large scale offshore wind projects in the Dogger Bank region of the North Sea.

The Dogger Bank wind farm will consist of three projects, Creyke Beck A, Creyke Beck

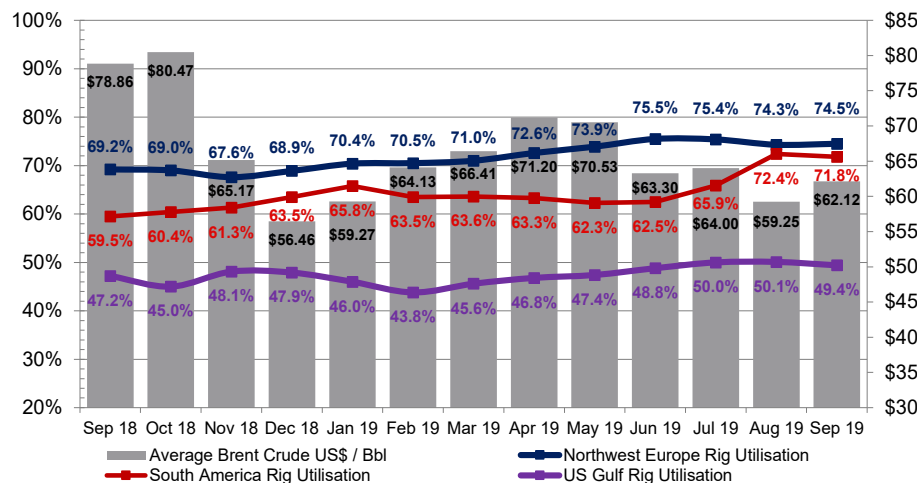
B, and Teesside A, with a total installed capacity of 3.6 GW. The partners are planning to make a final investment decision for the first project during 2020 and first power generation is planned for 2023. Further phases of the Dogger Bank project will be developed thereafter.

The Dogger Bank projects are estimated to trigger a total capital investment of around GBP 9 billion between 2020 and 2026.

SSE will be the lead operator during the project construction phase and Equinor the lead operator for operations.



## OIL PRICE VS RIG UTILISATION



## TRANSOCEAN RELINQUISHES NEWBUILDS

Transocean has relinquished its interests in two newbuild drillships that are being built by Samsung Heavy Industries in South Korea. Originally ordered by Ocean Rig, the Ocean Rig Crete and Santorini were added

to Transocean's orderbook via its acquisition of Ocean Rig in 2018. The total estimated future cost for Transocean to place the rigs into service, had it proceeded with the order, would have been approximately USD 1.1 billion.

## DRILLSHIP DEALS FOR SEADRILL

Seadrill has secured a new one-year contract for drillship West Neptune with LLOG in the US Gulf. The new contract, with a total value of USD 74 million, will start in December 2019 in direct continuation of

the rig's current LLOG contract. In Angola, Seadrill was awarded a nine-well plus six one-well options contract for newbuild drillship Libongos. This rig is one of four in Seadrill's Sonadrill joint venture with Sonangol.

## RIG UTILISATION AND DAY RATES

UTILISATION	SEP 2019	SEP 2018	SEP 2017	SEP 2016	SEP 2015
NORTHWEST EUROPE	74.5%	69.2%	58.1%	57.4%	79.6%
SOUTH AMERICA	71.8%	59.5%	69.1%	77.6%	85.0%
US GULF	49.4%	47.2%	35.1%	34.2%	45.1%

RECENT DAY RATE BENCHMARKS	LOW (USD)	HIGH (USD)
UK HARSH HIGH SPEC JACKUPS	100,000	120,000
UK HARSH HIGH SPEC SEMISUBS	150,000	175,000
NORWAY HARSH HIGH SPEC SEMISUBS	200,000	215,000
GLOBAL ULTRA-DEEPWATER SEMISUBS	120,000	280,000
GLOBAL ULTRA-DEEPWATER DRILLSHIPS	185,000	195,000

### INACTIVE RIGS NORTHWEST EUROPE

NAME	TYPE	STATUS
B391	JU	WARM STACK
BIDEFORD DOLPHIN	SS	WARM STACK
BLACKFORD DOLPHIN	SS	WARM STACK
BYFORD DOLPHIN	SS	WARM STACK
COSLINNOVATOR	SS	WARM STACK
MAERSK GALLANT	JU	WARM STACK
POLAR PIONEER	SS	COLD STACK
SEDCO 711	SS	COLD STACK
SEDCO 714	SS	COLD STACK
SERTA0	DS	COLD STACK
SONGA DEE	SS	COLD 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-72	JU	HOT STACK
VALARIS JU-122	JU	HOT STACK
VALARIS JU-290	JU	HOT STACK
WEST ALPHA	SS	COLD STACK
WEST EPSILON	JU	COLD STACK
WEST LEO	SS	COLD STACK
WEST MIRA	SS	HOT 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

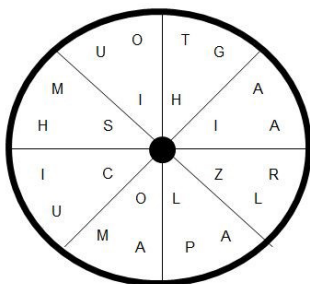
## PROUD TO SUPPORT MEN'S SHED

At Seabrokers, we take our social responsibility seriously. Earlier this year we gave a donation to the Stonehaven Men's Shed in Scotland. The Men's Shed Association is a global organisation that was started in Australia in the 1990s. The aim is to get "mature" gentlemen together to socialise, improve health and learn new life skills. It took the group of men since 2016 to take the project from a dream to reality. A recent study showed that an area in England with a Men's Shed organisation had a 17% reduction in Accident & Emergency visits from this age group where other areas without a Shed had an increase. Seabrokers are proud to have been able to help in a small way such an important and successful charitable organisation.

## CONUNDRUM CORNER

Last month's answer :-

Take one letter from each sector to give a type of cheese. Take a further letter from each sector to give a type of soup. The remaining three letters will give a dessert. What are the three words?



The correct answer was :- Halloumi, Gazpacho and Tiramisu.

This month, our poser is as follows:

In a Rugby World Cup sweepstake, Sam got Australia, Andrew got France and Peter got Japan.

Did Lee get Italy or Wales?

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

## THE SEABREEZE ARCHIVE

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