

# THE NAVIGATOR

Westshore's Monthly North Sea Report

August 2014 Issue: 36



## PSV Newbuild Orderbook

A look at all the vessels due to arrive between now & 2016

## Complex Russian Relationships

How will the new round of sanctions affect the market?

## A Fresh Look at UK Oil Tax

New money policy seeks to breath life into the industry



**WESTSHORE**

SHIPBROKERS AS

# Contents



The newbuild Esvagt Froude under tow in Leirvik courtesy of Havyard Group

02	<b>Headline News</b> The PSV Newbuild Orderbook	<b>Inside Story</b> Complex Russian Relationships	11
04	<b>PSV Orderbook</b>	<b>Market Forecast</b> A Fresh Look at UK Oil Tax	13
07	<b>Drilling &amp; Production</b>	<b>The Last Word</b>	15
09	<b>Vessel News</b>		

[www.westshore.no](http://www.westshore.no)



# Headline News



The Sea Supra is the latest newbuild PSV set to join the North Sea market

## The PSV Newbuild Orderbook

**W**ith another newbuild Platform Supply Vessel (PSV) the Sea Supra set to join the North Sea spot market in the coming days we take a look at the full extent of the orderbook that is still set to deliver. After pulling together a comprehensive list of vessel orders extending through to the end of 2016 we can show the full picture of how this new tonnage could influence the market in the coming years.

What may initially come as a surprise to some is the sheer volume of PSVs in the pipeline. A total of 58 PSVs are due to come from the shipyards in the next two and a half years. There is an exact fifty-fifty split with half of these due to come out of Asian yards and the other 29 due to deliver from European yards with Norway building the majority of these (20). A full breakdown of these vessels is available on the following pages.



Simek shipyard in Norway has a number of PSVs under construction

Whilst we are aware of Mermaid Marine's order of a pair of Vard PSV 08 designed vessels that will likely operate in Australia and Swire's newbuilds, we have chosen to focus on the likely North Sea vessels.

Amongst these are some deliveries for some well known Norwegian names such as Farstad which has two due including the Far Sun. Siem Offshore has a total of six PSVs on order coming out between now and May 2016.

Meanwhile, Vroon Offshore Services is expecting a bumper delivery in the next two years or so with up to 14 newbuild PSVs coming through before the end of 2016. These are Chinese built and are of a mix of PX121 and KCM designs. It is anticipated that these vessels will be looking for work in the North Sea, Africa and Mediterranean as well as at other global opportunities.

Fletcher Shipping has a pair of UT-755 LC vessels coming from Simek, it has been a while since we have seen new orders for this favoured design medium PSV. The first vessel is expected to be named the FS Cygnus and is expected to join the market before Christmas with a sistership coming around April next year.

Fafnir Offshore and GulfMark have gone for more specialised vessels with both targeting Arctic specification tonnage. GulfMark's Arctic ST-216 designed vessel which is delivering from Simek in November

2015 will be a sistership to the North Cruys which Shell has recently been trialling in the North Sea with an eye on the design for campaigns in other regions which may require such technology.

Vallianz and Promar have opted for more unusual designs too, Promar's two PSV 3300s from Damen Shipyard will be aimed at the West Africa market but could potentially cross over into the Mediterranean and even the North Sea. Vallianz meanwhile has selected a brand new design PX128 and there is talk of up to a dozen of these vessels emerging eventually.

It is well known that the North Sea PSV market is currently going through a period of oversupply and this orderbook will do little to quell the feeling that there will be more than enough boats for the next few years. But the numbers alone do not tell the full story and when we look behind the figures we see a divergence in the approach of owners. Some have chosen to order generic vessels en masse and others have elected for a more targeted approach with few more specialised orders.

There is also a third bracket and that is those well known names who have chosen to sit out from this round of PSV orders and place their capital in other markets, possibly Subsea or even to keep their cash in hand waiting for the opportune moment to join the market.

# PSV Orderbook

Year	Delivery Date:	Vessel	Type	Owner	Design	Yard
2014	July	Far Sun	PSV	Farstad Shipping	VARD PSV 07 CD	Vard Langsten
2014	July	Ocean Art	PSV	Atlantic Offshore	VS 485 MKIII L	Myklebust Verft
2014	July	Sea Supra	PSV	Seatankers	PX105	Zhejiang, China
2014	July	Sea Surfer	PSV	Seatankers	PX105	Zhejiang, China
2014	August	Polarsysse	PSV	Fafnir Offshore	Havyard 832L WE	Kleven
2014	August	Stril Luna	PSV	Møkster	UT 776 WP	Astilleros Gondan
2014	August	Siem Symphony	PSV	Siem Offshore	VS 4411 DF	Hellesøy
2014	September	Olympus	PSV	Global Offshore	Havyard 832	Havyard Leirvik
2014	September	Far Sygna	PSV	Farstad Shipping	VARD PSV 07 CD	Vard Vung Tau
2014	September	Sea Triumph	PSV	Seatankers	STX 05L	Cochin Shipyard
2014	October	Sea Swan	PSV	Seatankers	PX105	Zhejiang, China
2014	November	Energy Lindesnes	PSV	Golden Energy Offshore	STX PSV 09 CD	ASL Singapore
2014	November	REM Eir	PSV	Remøy Shipping	VS 4412 DF	Kleven
2014	November	Island Condor	PSV	Island Offshore	UT 776 CD	Vard Brevik
2014	November	Sea Swift	PSV	Seatankers	PX105	Zhejiang, China
2014	December	FS TBN	PSV	Fletcher Shipping	UT 755 LC	Simek
2015	January	NAO TBN 1	PSV	Nordic American Offshore	PX121	Ulstein Verft
2015	January	Troms TBN	PSV	Troms Offshore	Vard 08	Vung Tau Vietnam
2015	January	NAO TBN 2	PSV	Nordic American Offshore	PX121	Ulstein Verft
2015	January	VOS Pace	PSV	Vroon	PX121	Cosco Guangdong
2015	January	Vallianz TBN 1	PSV	Vallianz	PX128	TBA
2015	February	Promar TBN 1	PSV	Promar	PSV 3300	Damen Shipyard
2015	February	Blue TBN 1	PSV	Blue Ship Invest	PX121	Ulstein Verft
2015	March	VOS Paradise	PSV	Vroon	PX121	Cosco Guangdong
2015	March	Blue TBN 2	PSV	Blue Ship Invest	PX121	Ulstein Verft
2015	March	Island Clipper	PSV	Island Offshore	UT 776 CD	Vard Brevik
2015	March	Stril TBN	PSV	Simon Møkster	PSV 06 LNG	Vard Aukra
2015	April	FS TBN	PSV	Fletcher Shipping	UT 755 LC	Simek
2015	April	Troms TBN	PSV	Troms Offshore	Vard 08	Vung Tau Vietnam
2015	April	Rem TBN	PSV	Rem Offshore	VS 485 MK III Arctic	Kleven Verft
2015	April	Siem Pride	PSV	Siem Offshore	VS 4411 DF	Remontowa
2015	May	Vallianz TBN 2	PSV	Vallianz	PX128	TBA
2015	June	NAO TBN 3	PSV	Nordic American Offshore	VARD 1 08	Vard Aukra
2015	June	VOS Pride	PSV	Vroon	KCM	Fujian, China
2015	June	Island Discoverer	PSV	Island Offshore	UT 717 CDX	Vard Brevik
2015	July	Fafnir TBN	PSV	Fafnir Offshore	Havyard 833 WE ICE	Havyard Leirvik
2015	July	Siem TBN 1	PSV	Siem Offshore	VS 4411 DF	Remontowa
2015	August	VOS Prime	PSV	Vroon	KCM	Fujian, China
2015	August	Promar TBN 2	PSV	Promar	PSV 3300	Damen Shipyard
2015	September	VOS Principle	PSV	Vroon	KCM	Fujian, China
2015	September	ER Offshore TBN	PSV	ER Offshore	VARD 1 08	Vung Tau Vietnam
2015	September	NAO TBN 4	PSV	Nordic American Offshore	VARD 1 08	Vard Aukra
2015	October	Island Defender	PSV	Island Offshore	UT 717 CDX	Vard Brevik
2015	October	VOS Priority	PSV	Vroon	KCM	Fujian, China
2015	November	Siem TBN 2	PSV	Siem Offshore	VS 4411 DF	Remontowa
2015	November	VOS Privilege	PSV	Vroon	KCM	Fujian, China
2015	November	VOS Prize	PSV	Vroon	KCM	Fujian, China
2015	November	North TBN	PSV	Gulf Mark	Arctic ST-216	Simek
2015	December	VOS Partner	PSV	Vroon	PX121	Cosco Guangdong
2015	December	VOS Passion	PSV	Vroon	PX121	Cosco Guangdong

# Continued

## PSV Orders 2016

2016 January	PSV HULL NO DN78M-11	PSV	Vroon	KCM	Fujian, China
2016 January	Møkster TBN	PSV	Simon Møkster	UT 776 WP	Astilleros Gondan
2016 February	Siem TBN 3	PSV	Siem Offshore	VS 4411 DF	Remontowa
2016 March	PSV HULL NO DN78M-12	PSV	Vroon	KCM	Fujian, China
2016 March	Energy Duchess	PSV	Golden Energy Offshore	PX 121H	ROC Yard
2016 April	ER Offshore TBN	PSV	ER Offshore	VARD 1 08	Vung Tau Vietnam
2016 May	Siem TBN 4	PSV	Siem Offshore	VS 4411 DF	Remontowa
2016 June	Energy Empress	PSV	Golden Energy Offshore	PX 121H	ROC Yard
2016 August	PSV HULL NO DN78M-13	PSV	Vroon	KCM	Fujian, China
2016 September	PSV HULL NO DN78M-14	PSV	Vroon	KCM	Fujian, China
2016 September	PSV HULL NO N618 - PX121	PSV	Vroon	PX121	Cosco Guangdong
2016 December	PSV HULL NO N619 - PX121	PSV	Vroon	PX121	Cosco Guangdong



# WESTSHORE

SHIPBROKERS AS

# In & Out

## AHTS

Vessel	Design	Manager	ENTRY	From
Olympic Zeus	A122	Olympic Shipping	Mid-Aug	Reef Subsea
Rem Gambler	Aker AH 12 CD	Rem Offshore	Mid-Aug	Saipem
Havila Venus	Havyard 845	Havila Shipping	Mid-Aug	KKC Canada Hebron
Island Vanguard	UT 787 LCD	Island Offshore	Mid-Sept	KD Marine
Vessel	Design	Manager	EXIT	To
Skandi Iceman	Vard AH12	DOF	Late-July	Bluewater, Egypt
Far Sirius	UT 731 CD	Farstad Shipping	Early-Aug	Woodside Australia

## PSVs

Vessel	Design	Manager	ENTRY	From
Toisa Independent	Global 1000	Sealion Shipping	Mid July	Maersk Oil, Angola
FS Pisces	UT 705	Fletcher Shipping	End-July	RWE
Sea Supra	PX105	Deep Sea Supply	Mid-Aug	Newbuild
North Stream	UT 745	Gulf Offshore	Early-Sept	Nexen
Olympus	Havyard 832	Global Offshore	Early-Sept	Newbuild
North Promise	Aker PSV 09 CD	Gulf Offshore	Mid-Sept	Hess Denmark
Demarest Tide	STX PSV 09 CD	Tidewater	Mid-Sept	Team
Vessel	Design	Manager	EXIT	To
Sayan Princess	Havyard 832 CD	Hoyland Offshore	End-July	Gazprom
Bourbon Rainbow	PX105	Bourbon Offshore	End-July	Gazprom
Havila Fortune	MT 6009 MKII	Havila Shipping	Early-Aug	MOG Denmark
Troms Castor	VS 485 CD	Troms Offshore	Mid-Aug	MLS
Energy Insular	VS 485 MKIII	Golden Energy	Mid-Aug	ConocoPhillips UK
Skandi Flora	Aker PSV 06 CD	DOF	Mid-Sept	MLS
Far Seeker	UT 751 E	Farstad Shipping	Mid-Sept	Inpex Australia

# Drilling & Production

## North Sea Activity

**D**et Norske oljeselskap has announced that the Gohta 2 well is about to be completed. The Barant Sea well confirmed the presence of oil and gas and two production tests were undertaken by the Island Innovator.

Lime Petroleum has handed back three licences in the Norwegian North Sea following the end of a drill or drop deadline decision. The partners in the project include North Energy, Fortis Petroleum and Rocksource Exploration.

Market reports suggest that Eni is considering selling off its interest in Saipem. The deal could see a buyer come in for Eni's 43% stake in the oil services subsidiary. Options are understood to include the potential break-up of the company. Press reports have linked Seadrill and Subsea 7 with the firm.

Statoil's Valemon topside has now arrived in Norway after the 40-day transit from Korea. Heavylift work was expected to commence with the topside at the end of July into early August if the weather conditions remained suitable.

Bridge Energy has received a takeover approach from Spike Energy. It is understood the company, which has a number of operatorships and is a participant in a number of licences in the UK and Norway, has recommended the cash offer to its shareholders.

OMV has made a minor oil find in the Norwegian Arctic. Despite the small size of this discovery it is hoped that an understanding of the well will help





Statoil has suspended its contract with the Scarabeo 5

to locate larger oil finds in the region in the future. The 63 million to 164 million barrels of oil equivalent (boe) discovery was made seven kilometres from Wisting Central. The oil company believes the Wisting area could potentially hold 200-500 million boe.

Statoil has announced that it will suspend its contract with the Scarabeo 5 for the remainder of the year. The rig will be laid up from the Autumn before re-commission at the turn of the year. The rig is currently engaged in operations on Visund and is due to complete its workscope there in August. The Scarabeo 5 is on contract with Statoil until 2017. This news comes on the back of Statoil ending its contract with the Ocean Vanguard early.

Tullow did not encounter any hydrocarbons with its latest Lupus exploration well. The well was drilled 35km southeast of the Oseberg Sør Field and 110km west of the island of Sotra in the North Sea. The oper-

ator was using the Borgland Dolphin rig.

Statoil has begun drilling a further wildcat well in the Hoop area of the Barents Sea. The Transocean Spitsbergen is targeting the Mercury prospect. The rig

has also been lined up to drill at least three further wells in the region and possibly a further two prospects in the area.

The newbuild rig Noble Sam Turner has commenced its contract with Maersk Oil in the

Danish sector. The rig, which is on a two-year contract was built at Jurong shipyard.

The Rowan Viking is currently undergoing extension work on its legs ahead of commencement of a 15-well contract with Lundin in the third quarter of this year. The 170m jackup will have a further 20m added to its legs during the work at Damen Shiprepair Vlissingen. In total the refit is expected to take approximately 130 days.

**“Statoil has suspended its contract with the Scarabeo 5 and ended its charter of the Ocean Vanguard early.”**

# Vessel News

## Including Newbuilds & Subsea

**F**arstad has taken delivery of the newbuild PSV Far Sun. The Vard 1 07 designed vessel is equipped with DP2, a deck area of 1,115 m<sup>2</sup> and accommodation for 28. On delivery from Vard Langsten the vessel commences a long-term charter with Statoil for six years firm plus three one year options.

Fafnir Offshore's newbuild Havyard 932 L WE vessel has had its helideck installed at Leirvik. The ICE 1B vessel is set to be completed around the end of August and will commence its charter for the district governor of Svalbard where it will be working for half the year.

Deep Sea Supply has announced the delivery of the PX 105 designed Sea Surfer. The vessel, which was built at Sinopacific in China, has an X-bow design and a 1,000m<sup>2</sup> deck area. Following the delivery of this latest vessel Deep Sea Supply has 15 AHTS and 22 PSVs in operation.

Kleven has signed a shipbuilding contract with a Malaysian based joint venture IES Pioneer for the construction of an MT 6015 designed MPSV. The vessel will be equipped with a 150t crane, 1,000m<sup>2</sup> deck, helideck and accommodation for 60. Delivery is expected in September 2015 with an option for a second vessel which could be delivered in 2016.

ER Offshore has ordered a new PSV of VARD 1 08 design from Vard. Delivery is scheduled for delivery from Vung Tau in Vietnam in Q2 2016. ER Offshore has also taken over the contract for a sister vessel from Carlotta Offshore via a novation agreement.





The Boa Bison has carried out its maiden charter.

This vessel is due to deliver in Q3 2015.

Vroon has entered into an agreement for two Ulstein PX121 PSVs from COSCO Shipyard. The company now has six of these PSVs scheduled for delivery in 2015 with plans to operate them in European waters.

VARD has acquired STX Canada Marine for NOK 65 million. Vard Marine specializes in the development of advanced technology and its application to offshore and specialized vessel designs. Following the acquisition Vard Marine will provide a broad range of naval architecture and marine engineering services including ship design, support for offshore shipbuilding activities and full scale trials.

Farstad has secured a series of charters for its fleet including two contracts that will see vessels depart the North Sea. The AHTS Far Sirius will head off for a 16-month charter with Woodside in Australia which

is commencing in October 2014. In addition the PSV, Far Seeker has picked up an 18-month firm contract with Inpex Australia with expected commencement in November this year.

### “Two Farstad vessels will depart the North Sea shortly to take up term work with clients offshore Australia”

The PSV Toisa Independent has rejoined the North Sea spot market after completing a contract for Maersk Oil/Interoil in Angola that initially commenced in 2012. The vessel is expected available early August.

The Boa Bison has joined the North Sea spot market and carried out its maiden charter performing the rig move of the Transocean Arctic for Ross Offshore.

Gazprom has chartered a pair of vessels for term work. It is understood the Bourbon Rainbow and the Sayan Princess PSVs will depart the North Sea in the coming weeks to commence the three month firm fixtures which are anticipated to have additional options after the initial period. ■

# Inside Story



The Sayan Princess has recently secured a three-month contract in Russia

## Complex Russian Relationships

**S**hipowners and oil companies are treading the delicate line between good long-term contracts and falling the wrong side of increasing sanctions against Russia. As the war of words between Russia and the West intensifies on the back of the ongoing incidents in Ukraine we are seeing a ratcheting up in the difficulty of doing business with the former Soviet nation.

The recent development of vessels being selected for three-month contracts for Gazprom is only the latest in a string of potentially lucrative contracts for North Sea vessels in Russian waters. The vessels are the Bour-

bon Rainbow and Sayan Princess.

This latest market news comes on the back of the Tor Viking II securing work for 11 months firm in the Sakhalin region. The contract, which also includes additional options for two times six months, is understood to be worth around USD 34.5 million. There are also a whole fleet of North Sea vessels supporting Gazprom's campaign with the GSP Saturn in the Pechora Sea which is due to last for the summer period of this year and next.

The vessels Dina Star, Stril Challenger, Still Com-



Russia continues to plan extensive drilling campaigns

mander, Strilborg as well as the Brage Supplier and the EDT Hercules also involved in the work. The initial plan is for the drilling, logging, completion and testing of the North-Dolginskaya number three well. In addition there are a fleet of vessels supporting the Kara Sea campaign with the West Alpha rig including a number of Viking Supply Ships vessels and a number of Siem Offshore vessels too among others.

With so many vessels currently active in Russian contracts any sudden changes in the legal framework could have a dramatic impact on the market.

However, it seems there is little to fear in the short term, Washington's announced sanctions have been aimed at Russia's largest oil producer Rosneft, its second largest gas producer Novatek and its third largest bank Gazprombank and have been described as measured to have the greatest impact without damaging domestic investments.

When announcing the planned measures USA President Barrack Obama said: "These sanctions are significant, but they are also targeted, designed to have the maximum impact on Russia while limiting any spillover effects on American companies or those of our allies."

The key European nations have decided their sanctions will initially impact the financial sector and

military hardware rather than the energy sector.

Even in the current scenario it seems that the US and Europe do not have the appetite to apply the sorts of draconian sanctions that would damage both the offshore industry in Russia and also their domestic investing companies and suppliers. Instead the intention appears to be to slowly drain

the Russian market of future investment capital over a number of years whilst still reaping the benefit of existing exports and project investment in the region.

Despite the recent collapse in relations it seems Russia will continue as a key chartering nation for offshore tonnage for now. In fact the Russian energy company Rosneft has signed deals with Seadrill to secure rigs in the past few weeks. In total the contracts, which are worth up to USD 4.25 billion, cover six rigs that will start work offshore Russia between next year and 2017. These include five-year terms for the West Navigator and West Rigel as well as the West Alpha and two new-build CJ-54 rigs and a Gusto class jack-up.

Although the debate has heated it up and a number of oil companies have stated that they will be more cautious going forwards it seems there will be limited initial impact on the offshore vessel market.

**"These sanctions are targeted to have the maximum impact on Russia while limiting spillover to allies."**

# Market Forecast



The UK Government has started a 12-week tax consultation

## A Fresh Look at UK Oil Tax

**T**he UK Government has embarked on a comprehensive 12-week consultation over oil and gas tax plans in an attempt to secure the future of what has in the past been a lucrative revenue stream for the national coffers.

The policy is contentious and has long been the subject of debate from various sides including taxpayers who have felt they have been short changed and oil companies who feel they now need financial incentives in order to consider investing in what is considered a mature region. Once you add the Scottish-factor into the mix with next month's referendum fought largely on the platform of oil tax revenues you are left with a difficult balancing

act that will prove troublesome for any authority to get right.

However, reform is vital to breath new life into the UK North Sea, which has been struggling to maintain the momentum of the offshore industry over the water in Norway. The Wood Review has made a series of recommendations to increase industry cooperation and create the changes needed to exploit the remaining 24 billion barrels of oil in the region. But while these plans are formulated and absorbed the UK industry has gone into stasis and shelved schemes in the short-term while these recommendations are considered and the outcome of the tax review is awaited.



## Tax reform for the UK Oil & Gas industry will not be plain sailing

Business consultancy Deloitte has reported in the last few weeks that it has witnessed a “wait and sea” approach being adopted on decisions in the North Sea. The company believes that this is one of the reasons why ten less wells were drilled there in the second quarter this year compared to 2013 in the UK North Sea (seven versus seventeen). The other key factor coming into play is the current pressure for oil companies to control costs and return value to shareholders.

Deloitte research also indicated that extracting oil in the North Sea costs almost five times more now than in 2001. This has been one of the elements that has eaten away at the oil companies’ bottom-lines over the past years. The UK Office of National Statistics has said: “the industry has been in long term decline, contracting every year since 2002.” Profits at oil and gas exploration and production companies fell in the last quarter to 27.6 per cent down from 31.1 in the prior quarter. This is the lowest level since the second quarter of 2009.

**“What is certain is that all sides agree that keeping the status quo is not an option for the future.”**

According to an independent report commissioned by the Scottish government the North Sea needs a simpler stable fiscal framework to secure long-term investment on the UK Continental Shelf (UKCS). Melfort Campbell who led the study said: “Future discoveries are likely to be smaller in size and more technically challenging, and therefore the balance of risk between industry and Government must be carefully considered.”

He has called for: “The transition of the UKCS from a province where high prospectivity attracted high levels of investment, to one where investment in late-life fields and more technically challenging resources is rewarded by a reasonable rate of return for the industry and for the nation”.

As the UK Treasury invites all those with an interest in the industry to have their say on the fiscal plans what is certain is all sides are in agreement that keeping the status quo is not an option for the future. ■

# The Last Word



The BB Troll visits Kristiansand

**T**he BB Troll paid a visit to Kristiansand to undertake a crew change after completing in-house work in Skagen, Denmark. We had an excellent view of the vessel from our shorefront offices and were able to get the picture (above) as she left.

Since then the vessel secured work carrying out a barge tow for Saipem which she is set to complete in early August before heading to Stavanger.

The BB Troll is a VS 473 designed vessel with a bollard pull of 165. The vessel is also equipped with a deck area of 550m<sup>2</sup> and accommodation for 16. She recently performed work for Hereema, Diamond Drilling, BP Norway and BP UK.

**W**estshore Arctic is moving offices and will now be located at the following address:

Westshore Arctic  
The Business Suit(es)  
St. John's West  
510 Topsail Road  
St. John's  
NL A1E 2C2

Please note all phone numbers and other contact details remain

**“Westshore Arctic is moving offices although please note all phone numbers are staying the same.”**

unchanged as follows:  
Darrell Cole - Managing Director  
Tel: +1 709 726-2993  
Mob: +1 709 687-6665  
Fax: +1 709 726-3926



# The Market in July



A great picture of the Normand Vision via Solstad Offshore

The beginning of August has brought with it a sense of disappointment amongst shipowners who have seen the last quarter fail to deliver the promise of high activity. As we look back at June, there were few highlights in the market. On the AHTS market an off-market deal saw the Boa Bison secure its maiden charter when it picked up rig move work for Ross Offshore with the Transocean Arctic.

Farstad managed to secure some prime fixtures for two of its vessels when it was left as the only owner able to make the commencement date for two workscopes requiring ROVs. However, we saw limited requirements and some operators taking fewer vessels for individual rig moves than they have in previous years.

The main feature of the UK PSV market was the over-

supply of vessels once again. There was a brief period of a few days towards the end of the month when the market was tight there but this was short lived. In Norway, it has been a different story with a longer period of tightness with only one or two vessels available for work.

Whilst this sometimes forced operators to look to AHTS tonnage for supply duties, the limited number of spot supply requirements in Norway meant that PSV dayrates never spiralled too far upwards.

Moving into August it looks likely that we will see a similar story to the past month however our in-house research indicates that there will be a solid number of rig moves. The impact on the market will come down to the timing of when exactly these come out and whether they are spread out or the demand hits simultaneously and causes dayrates to spike.

		Average Monthly Rates (NOK)		
Vessel Type		Jul-14	Jun-14	Jul-13
AHTS	> 25,000	461405	258847	466935
	18,000 to 25,000	246612	172401	380394
	< 18,000	182138	151480	282687
PSV	> 900 m <sup>2</sup>	116896	102090	252613
	< 899 m <sup>2</sup>	110459	111435	215109

	Jul-14	Jun-14	Jul-13	Jun-13
# of spot supply fixtures	72	64	60	58
# of rig moves	16	23	20	19
# of AHTS fixtures	47	64	70	63
Average Utilization (%)				
AHTS	68.9	66.1	72.6	81.0
PSV	0.8	84.4	1.0	94.6