

THE NAVIGATOR R

WESTSHORE'S MONTHLY NORTH SEA REPORT

Piper Alpha – 25 years on

A quarter of a century has passed but has the industry learned from it?

Crew costs and challenges

The changing face of the North Sea seafarer

Westshore Arctic

Update on what's happened since opening



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■ Gulf Offshore Update

Gulf Offshore is gearing up for quite an increase in tonnage this year with five new PSVs set to hit the water before the start of 2014. The first of which, Highland Defender, is due in Aberdeen July 10th and is officially uncommitted. Next in the series will be Highland Chieftain followed by Highland Guardian, Highland Knight then Highland Princess due around February 2014. Meanwhile the Norwegian arm of Gulf Offshore is expecting delivery of two further PSVs of ST216 design with Arctic capability. The owner will take delivery of the first, North Pomor, at the end of July while the second, North Cruys, is due around November.

■ Siem secures newbuild with Shell

Siem has announced it has secured a three year contract with Norske Shell for a new PSV of VS 4411 design. Siem is said to be in discussions with several yards as possibilities for the construction of the vessel which is due to commence the contract in the first quarter of 2015. Siem stated that "(the vessel) will have a dual fuel system for the use of either LNG or Marine Diesel Oil. The vessel will be equipped with the most modern solutions for fire-fighting and emergency preparedness and have a deck of approx. 970m². The under deck tank configuration will include systems for handling of drill cuttings, in addition to liquid and dry bulk." The vessel will be entirely crewed by Scandinavian seafarers during the contract.

Siem has a similar vessel on order at Helleøy Verft. This vessel will deliver August 2014 and has a four year charter with Total in place on delivery.

■ Ross Offshore chooses Blue Guardian

New PSV of Ulstein PX 121 design Blue Guardian has secured a two well firm contract with Ross Offshore set to start end of July. The vessel will be managed by Remøy Shipping having recently delivered from Ulstein Verft.

Deliveries

■ July 2013

Sea Titus STX 05 LCD
North Pomor ST216 Arctic
Makalu Havyard 832 CD
Highland Defender MMC
887 CD

■ August 2013

Toisa Envoy VS 4616
Highland Chieftain MMC
879 CD

■ September 2013

Skandi Iceman STX AH12
Demarest Tide STX PSV 09
CD
Blue Protector PX121
Sea Frost PX 105
Highland Guardian MMC
887 CD

■ October 2013

Toisa Explorer VS 4616
Island Duchess UT717 CD
Highland Knight UT755XL
Edda Ferd ST920

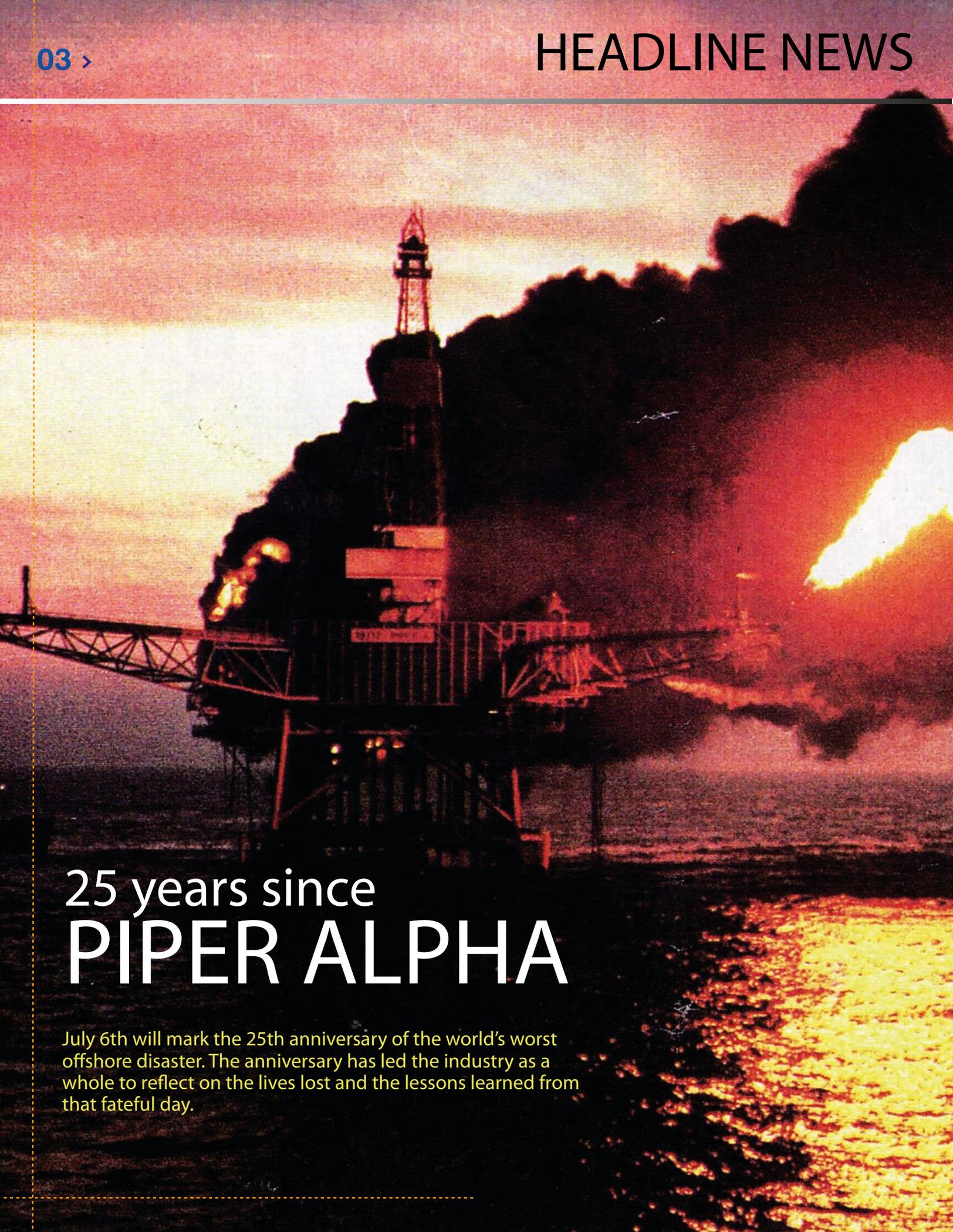
■ November 2013

North Cruys ST216
Seabed Supporter 'Sawicon
Design'

■ December 2013

■ Recently Delivered

Blue Guardian PX121
Island Duke UT717CD
Kongsborg Havyard 833



25 years since PIPER ALPHA

July 6th will mark the 25th anniversary of the world's worst offshore disaster. The anniversary has led the industry as a whole to reflect on the lives lost and the lessons learned from that fateful day.

Piper Alpha was a production platform pumping oil and gas from the Piper, Tartan and Claymore oilfields. Situated 176 km from Aberdeen the large platform was operated by Occidental and was 12 years into service when the accident happened. The platform was built to withstand the extreme weather conditions the North Sea could throw at it, 185 mph winds, waves of over 25 meters – but it was a calm, clear day when events unfolded that would forever change the offshore oil industry. The events of July 6th 1988 had widespread consequences not just for the UK Oil Industry but over the entire globe.

Lord William Cullen, a comparatively young judge at the time, was commissioned to launch a massive investigation into the disaster and identify the failings that resulted in the loss of life. Teamed with an army of 89 advisors and what he termed a 'common will' from the entire industry to improve offshore drilling, the report was compiled after over a year of investigation. Lord Cullen came with no offshore background or knowledge but saw this as a blank canvas rather than someone coming with pre-conceived ideas. The conclusions from the report were 106 individual recommendations for the industry, all of which were subsequently adopted. The recommendations ranged from design of platforms to operational changes but was most critical on how safety was managed. Lord Cullen was adamant that the fundamental failings that resulted in the Piper Alpha disaster came as a result of failings in the safety management procedures. And of utmost importance was the ability to completely shut down production in the event of a hydrocarbon release.

In the case of Piper Alpha, production from the Tartan and Claymore fields continued to be pumped through Piper Alpha well after word had reached those platforms that Piper was aflame. Operators aboard Tartan and Claymore believed they did not have the authority to shut down production, something they had been well warned was immensely costly and time consuming to start up again. As a result, the fire on Piper Alpha, which would have burned out, continued to be fed as more oil and gas reached it from the two neighbouring fields. Several small yet critical events which were essentially

safety breaches contributed to the catalogue of events that put the disaster on the scale it was. Events which, had they been properly looked at from a safety perspective, should never have happened. In one case a metal grating on the platform floor used by divers had been covered with rubber mats in order to make it more comfortable for divers to walk on. During the disaster condensate began to leak from a pipe overhead, as it was unable to escape through the grating to the sea because of the rubber mats, it caught fire. The heat from the flames caused the pipe carrying gas from Tartan which ran overhead to explode. This was the fireball witnessed at around 10.20pm.

But it was the mismanagement of the Permit to Work System that Lord Cullen identified as the most significant culprit of the disaster. Had the permit for the safety valve on the condensate pump been readily available to the lead operator, the disaster most likely would never have happened. Had he known the pump was in no condition for use it would never have been signed back into operation, the first leak and explosion would never have happened thereby preventing all subsequent explosions.

The human toll from the disaster was shockingly large but those that survived paid a heavy price. Feelings of guilt plagued survivors and one report said the vast majority showed signs of Post-Traumatic Stress Disorder. Several reported problems in securing work after Piper Alpha as many employers viewed the survivors as 'bad luck' or inherently damaged by the events they had lived through. Of the 226 men working aboard Piper Alpha that day 165 died, many of the bodies were later recovered but several were not. Today a memorial garden in Hazlehead Park, Aberdeen pays tribute to those that lost their lives. Lord Cullen later said that while one could never say never to such a disaster happening again he felt a great deal had been done to manage the risk of such an event in the future. Though many criticisms still abound, there is a consensus that vast improvements have been made to offshore safety since July 1988. The 25 year anniversary is a poignant pause for reflection for those who lost their lives but also a vital reminder that in such an industry safety must always come first and be under constant review.

Timeline of Events

The catalogue of failures that led to the worst offshore disaster to date

🕒 12.00 pm

A Pressure Safety Valve from one of the two condensate pumps used to transport condensate to shore is removed for routine maintenance. The open pump was temporarily sealed with a flat disk cover but only hand tightened i.e. not with a wrench. The permit for work done stated the pump was not fit for use and was not to be switched on under any circumstances. This permit was stored in a completely separate location to the control room and pump itself.

🕒 9.45 pm

An alarm sounds in the control room. A series of events caused a blockage in the gas compression system resulting in the condensate pump in use to stop working. Left unattended this could result in the storage tanks filling, the safety system kicking in resulting in loss of electrical power and total rig shut-down – a costly event and one which crew are eager to avoid.

A search was made to determine if the second pump could be switched on. Lead operator finds no permit stating the missing safety valve so signs it back into operation.

🕒 9.55 pm

Gas flowing with missing pressure safety valve metal disks. Gas began to rise in pressure. A large explosion occurred.

A large fire started coming from the platform.

The platform was built to withstand having been built for production. The doors started causing a pipe, creating a second explosion – this – the

🕒 7.45 am

Permits for work issued for maintenance work for that day

🕒 6.00 pm

Day shift ends but issues with the pump are not relayed to night shift.

🕒 10.04 pm

The control room is abandoned. Main alarm panel destroyed, further warning of problems cannot be detected. No attempt is made to order evacuation via loudspeaker.

om
ng through the pump
sing safety valve created
s the insufficiently sealed
c could not withstand.
n leaking audibly at high
It quickly ignites and

ue explosion is seen
rom the platform .

orm's fire doors are not
withstand explosions
een originally built for oil
on. The panels from the
atter as they explode
a rupture in a condensate
ating another fire.
l explosion quickly follows
rig is now on fire.

🕒 10.50 pm

Another large explosion. Claymore line finally shut down. Debris scattered 800m out into the sea.

🕒 11.50 pm

Large parts of the platform slip into the sea, including the fireproofed accommodation block where tens were sheltering awaiting rescue.

🕒 10.20 pm

The fire continues to be fed by oil from Tartan and Claymore. Production is not shut down because of costly re-starts. Tartan's gas pipeline melts and bursts. A roaring fireball is witnessed by nearby vessels.

🕒 11.20 pm

Claymore line bursts. Violent explosion followed by crane and drilling derrick collapse.

🕒 12.45 am

Only Module A remains. 165 personnel dead plus two from standby vessel



Westshore Arctic



It's been ten months since Westshore Arctic opened its doors for the first time. We take a look at what's happened over those months and what lies ahead.

On the surface 2013 seemed like a slow year for activity in the Arctic in terms of exploration and production. But with so much on the cards for 2014 and beyond, anyone with a serious interest in Arctic oil and gas has been positioning themselves for what's to come – and no one more so than Westshore Arctic. With the belief that the opening of the office in St John's came at a strategic time ahead of some of the biggest projects ever seen in the area, the past few months have been used to establish and solidify relations with companies at every point on the oil and gas spectrum. From the smallest local players to the largest multinational oil companies, the Westshore Arctic name was spread far and wide.

Putting in a plan of action for manpower, logistics and infrastructure is a whole different ball game in the Arctic where the seasons are shorter and harsh conditions – primarily pack ice and ice bergs are the norm. Moreover the remote location means transportation can be challenging and existing infrastructure is in its infancy. No large-scale project could proceed in this area without significant planning in place to overcome these challenges. And largely this is what 2013 has been used for, as 2014 is expected to be the start of the snowball effect of many great things for Arctic exploration.

The lingua franca in St John's may well be English, but a common language can conceal important cultural differences not least in the business world. Establishing ourselves as the first shipbroker with a local presence in St John's provided the foothold needed to navigate the business environment unique to Canada and Newfoundland. Of course one can expect to make mistakes and ride a steep learning curve initially, but lessons learned have served us well in terms of putting us in a position to best serve clients – particularly with the larger upcoming projects.

Going back to basics was a necessary step for Westshore Arctic. In practice this meant ensuring relations with Canadian owners of all sizes were firmly in place. In Canada and specifically Newfoundland, Section 45 of the Canada Newfoundland Accord essentially states that all else being equal, a Newfoundland company will be awarded a contract above that of a Canadian and a Canadian above that of a foreign party. In practice this can mean if an available vessel from a Canadian or Newfoundland owner can be found, it can block the award of a contract to a foreign owner. As with any protectionist regulation this often poses its challenges – for all parties concerned.

The immediate future for the Arctic office will be a continuation of activities already in place and further gathering of knowledge and expertise needed for 2014 and beyond.

Overview of upcoming Arctic activities

■ **The Hebron project** – The giant Hebron field was first discovered in 1980 and is located offshore Newfoundland and Labrador. ExxonMobil Canada has the largest stake and is operator. The field will be developed with a standalone gravity based structure for which integration, hook-up and commissioning is scheduled for 2016 and First Oil targeted for 2017. ExxonMobil will also build four to five multi purpose PSVs for ten plus ten year contracts in addition to one to two AHTS vessels.

■ **Kara Sea** – Seismic surveys shot in 2012 provoked enough interest from oil companies, especially ExxonMobil that drilling should commence in 2014. A significant quotient of tonnage will be needed to assist operations there which could total some 16 vessels.

■ **Greenland** – After a couple of years of limited activity following Cairn's failure to hit oil in its 2011 campaign. This summer they have been out for vessels to do well abandonment and capping work but are expected to re-commence drilling in 2014, this time in partnership with Statoil. Shell and Husky have also been touted as having serious interest in Greenland with projects commencing as early as 2015.

■ **Husky Energy** – Canada's largest energy company has extensive interests in Canadian waters. Husky is operator at White Rose for which three extensions are currently underway namely North Amethyst, South White Rose and West White Rose. Ultra deepwater semi West Mira has been contracted to drill an extensive well programme offshore Canada and potentially Greenland. The maiden contract in delivery from the yard in Korea will see the unit work with Husky for a five year period.



Darrell Cole & Jon Inge Buli
Westshore Arctic

Statoil Cat Rigs Fit for purpose

In a bid to meet the growing shortage of suitable drilling rigs on the Norwegian Continental shelf, Statoil launched a programme to secure units designed specifically to carry out its work programmes. Five different rig designs were created in tandem with the industry and procurement of the units and drilling packages began shortly thereafter. This month saw some developments on three of those categories.

Cat D

Statoil's Cat D semi is aimed at improving recovery on the Norwegian Continental Shelf. Songa Offshore has been contracted to build four units under this category with eight year contracts secured on delivery with options thereafter. Statoil says the rigs will be used at Norne, Heidrun and Åsgård while the other making up part of Statoil's strategic fleet in areas such as the Barents Sea. The first two will be in operation by 2014 and the following two in 2015. Speculation regarding the contracting of two further Cat D units was rife this month but Statoil has said that at present no tender is out. However it says that future rig capacity may necessitate further such units and it continuously monitors future needs.

Cat J

The Cat J Jackup is a new rig design optimised for shallow waters and harsh environments. Designed in collaboration with the industry, the rigs will work in mature fields on the NCS. This month two contracts were awarded for the construction and operation of two Cat J rigs for work at Oseberg and Gullfaks. The rigs will be ready in 2016-2017.

Cat B

Developed for different types of well intervention as well as through tubing rotary drilling, the rig is hoped to reduce well intervention costs by up to 40%. A contract had been signed with Aker Solutions for the build of a Cat B rig but the contract was cancelled this month. Negotiations to resolve technical disputes centring around the subsea systems came to a head this month when both parties agreed that the termination of the contract was the only option.





■ Other News

Norwegian Parliament Votes on Barents Drilling

Following our report two months ago on parts of the Barents Sea being opened for oil exploration, the Norwegian parliament has voted in favour of the area being included in the next licensing round. The area in the South-east of the Barents Sea covers an area of 44000 km². At present limited seismic data exists, partly due to conflict with local fishermen and stringent environmental considerations. However given the plans for the area seismological surveys are likely to be the first step.

Oseberg still shut

An alarm was activated on the Oseberg platform this month indicating a problem with gas. The platform subsequently shut down production and an evacuation was ordered shortly afterwards. At time of writing there was no clear indication as to when production would resume. 308 people were on board the platform at the time of the leak but no personnel were injured. The Petroleum Safety Authority has initiated an investigation in an attempt to determine the cause.

Johan Castberg delayed

The first of what be many casualties of the proposed tax changes by the Norwegian government has been announced. Statoil announced in a statement released early-June that the investment decision for the Johan Castberg field (previously the Skrugard and Havis discoveries) has been delayed. The suggested production solution of a new oil terminal onshore has been touted as a more costly solution than for example an FPSO. The new tax changes combined with some uncertainty over the resource estimates has resulted in a need for fresh eyes to be cast over plans for the field to determine profitability.



The future of the Norwegian seaman

The Norwegian maritime industry has a strong history making it an emotive topic for many. But no matter how you slice it, remaining competitive in a changing market is the only path to survival not least profitable.

The issue of foreign crew on Norwegian vessels is not a new one, the fleet of Scandinavian seafarers has endured several shocks through the years and the latest influx of Filipinos, Polish and others is merely the latest in a long line of 'challenges'. The Filipinos began making an impact on global shipping in the late 70s and Norwegians worried their futures as seafarers were coming to a close. In 1987 the Norwegian International Ship Register was established, providing shipping companies the opportunity to fly a Norwegian flag while circumventing some of the more stringent requirements on crewing amongst others – again additional worry for seafarers. In the late 90s mass redundancy from certain ship owners was thought to

be the final twist of the knife for Norwegian seafarers. Each time they bounced back, but the landscape of the working environment they operated in changed quite a lot along the way.

Few if any of the Norwegian offshore ship owners have taken a purely Norwegian/Scandinavian seafarer stance when manning its vessels. Quite the opposite, several have openly talked about the move towards foreign crew for certain aspects of the business. The biggest impact has been felt in Norwegian vessels, reflagged and sailing in waters outside Norway – West Africa, Asia and most notoriously Brazil. In these areas a combination of local content regulation and inability to remain competitive with a full complement of

expensive Norwegian crew, has resulted in a change out to seafarers of other nationalities. Another interesting issue in trading a vessel outside the North Sea with Norwegians is the growing attitude by charterers towards the Norwegian seafarers themselves. Some have said many have become spoiled with consistently high standards, high pay and have become totally inflexible with regards to crew change and working conditions. Charterers in areas such as West Africa and Asia, feeling no obligation towards a nationality of seafarers alien to them, have begun to stipulate crew from places such as The Philippines where the stereotype is at least hard working, cheaper and flexible with regards to crew change, working conditions etc.

So some might say what choice does a ship owner have? Their competitors are sailing with cheaper crew, some charterers have stipulated No Norwegians and often to comply with regulation they have to employ locals anyway. The hand of the ship owners has been forced in this sense which is in part the reason why several of the most well-known owners are establishing crewing offices in Manila, Lisbon, Macaè and Singapore. Companies such as OSM and Anglo Eastern that specialise in supplying crew to established ship owners are being called on more and more in the offshore sector.

But how close has the wave of foreign crew members come to replacing the Norwegians on the pride of the Norwegian North Sea fleet? Will we see a day when a 400tbp AHTS carrying out a rig move is executed by a combination of Filipino and Polish crew? Views on this are mixed. Regardless of nationality, competence is something built up over time and by quality superiors and educational institutions. There will come a day when there will be foreign national crew with equal ability to execute complex jobs on the Norwegian sector. However historically the crew make-up on these vessels has always been Norwegian/Scandinavian – in the positions of additional education at least. So opportunity for the build-up of competence by anyone other than young Norwegian seafarers is limited.

Moreover the precedence set by Statoil, not so much a demand but definitely precedence, is that of experienced seafarers educated at recognised institutions.

More often than not that means Norwegians. To get the job in the first place the make-up of crew must be of a certain standard, few would dare deviate from this as only the tightest of markets would result in securing a job without the accepted high standard.

The pool of national seafarers in Norway is being impacted from within every bit as much as it is from external factors. One owner likened it to a football club, in the 70s the owners held all the cards, if the boss or master told you to jump, you quickly asked how high. These days it's the players or seafarers that hold the cards, don't like the job, the owner or the master? No worries, there are plenty other companies willing to pay your premium. So companies have to compete on numerous levels to retain staff, pay being an obvious one but increasing wages can only go on so long between companies before it gets ridiculous. Working environment is key, but here other industries become a huge competitor for personnel. Shore jobs can now offer similar salaries without the burden of leaving family for weeks at a time. If you can get it, a job on a rig or platform will offer a far better rotation with more time off.

The progression of where one finds Norwegian seafarers in the past four decades echoes this. The DeepSea routes characteristic of tankers and dry bulk vessels where the rotation takes a seafarer away from home for easily two to three months are today all but devoid of Norwegians at positions below captain. Thirty years ago this constituted a major employment sector for Norwegians but preferable conditions and rotations on an offshore vessel in part resulted in a shift away from DeepSea. And now the rigs and platforms are offering another avenue.

The depletion in the number of new seafarers coming through the system is a concern and one that maritime colleges are trying to combat. Knowledge and experience gained actually offshore is a critical skill in maintaining the Norwegian status as a world leader in oil and gas and shipping. In this sense even if a seafarer does not make it from college to retirement working offshore his whole career, Norway needs those skills in one shape or form.

Local Content – is it time for the same in Norway?



The social system in Scandinavia in general and Norway in particular is such that certainly in comparison to other nations, natives are taken care of. So why when it comes to the offshore and shipping industry is there a lack of protectionist regulation so prevalent in other hydrocarbon-rich nations?

A ship flying the Norwegian national flag must meet certain criteria, native crew being just one of them. But a Norwegian owner or owner of a vessel sailing in Norwegian waters is under no obligation to fly a Norwegian flag, unless that owner wishes to trade between Norwegian ports for which offshore installations will also constitute a port. A 'lesser' option is of course the NIS flag, one which provides the protection of the Norwegian maritime regulation without necessitating the strict compliance with Scandinavian crew make-up.

So given the socialist nature of the country is it not a surprise that there is nothing in place to protect the

Norwegian seafarers and in order for the industry to thrive, should something be put in place?

Other nations choosing to implement just such protectionist regulation have done so to varying extents. In Australia almost from inception of the charter the vessel must be crewed 100% with Australian nationals. Some slight exceptions can be made in the case of specialised vessels such as pipe layers or DSVs where a total lack of available personnel could result in inability for the job to proceed. In these instances crew of other nationalities can be utilised on the understanding they are replaced in the event of an Australian national becoming available.

In Brazil the level of Brazilian crew required is dependent on the length of contract. Short contracts of less than 90 days can proceed without any Brazilians on board. For contracts between 90 and 180 days a third of crew members must be Brazilian. Contracts between 180 and 360 days require 50% Brazilian crew and anything over 360 days mandates 2/3 of the crew must be Brazilian. This is strictly enforced with very little room for exception.

West African regulation varies from country to country and contract to contract. In general due to the recognised shortage of qualified and experienced native personnel, the native content of crew often relates to ratings and cadets only. Contribution to local economies can take various forms from employing locals, using local services to participating or establishing local charities. In most West African countries the rules are less strictly enforced than the likes of Brazil and Australia but the intention is still very much the same – to increase national competence and economy.

The US Gulf of Mexico falls under a cabotage law named The Jones Act which essentially stipulates that any vessel transporting merchandise between US ports must be owned, operated and manned by US citizens and fly the US flag. Again in instances of dive support vessels and other specialised vessels exceptions have been made where no such US vessel exists or is available. But it effectively renders the US Gulf of Mexico a closed market to foreign owners for the majority of the offshore scene.

So could Norway benefit from implementing such regulation?

From a seafarers perspective it would appear that such regulation could only benefit them. But it has to be looked at from the context of the industry as a whole,

what would happen to the whole industry if protectionist rules were in place? For a nation with a strong economy and a history of excellence in seafaring and offshore knowledge a shift from a focus on competence to one of making up numbers could be dangerous. A common problem in nations with cabotage laws in place is lack of qualified personnel. Those that are qualified are in a position to name their price, and they generally do just that causing numerous problems for the shipowners. Also when personnel are aware of the limited availability of people in their position they are free to work as hard as they like – or not as the case may be. Efficiency takes a hit and productivity slows down.

“For a nation with a strong economy and a history of excellence in seafaring and offshore knowledge, a shift from a focus on competence to one of making up numbers could be dangerous.”

Norway may not be in the EU but it does adhere to much of the EU conventions so any protectionist regulation may contravene EU protocols on free market. It is questionable whether or not a Norwegian cabotage system would even be possible or would it have to be EU wide?

Norway currently faces big challenges from shore and platform jobs taking large numbers of seafarers out of the system. Replacing them is an on-going challenge for the industry. Media reports of Norwegian owners cutting Norwegian crew has done little to

inspire a new generation of men and women to take a maritime education. So in fact far from it being wise to implement any local content regulation, it would seem that what is needed is for politicians, maritime academies and industry bodies to sit down and agree an action plan for how to encourage the next generation of seafarers to take up life at sea. For without this there will simply not be the competence to satisfy the numbers needed for seafarers as it is today. And any regulation demanding more would only dilute the skill pool and potentially damage the reputation of the Norwegian seafarers as a nation of skilled and competent personnel.

Local Content – what's in place elsewhere

US Gulf of Mexico

Cabotage laws known as The Jones Act requires all commercial vessels transporting merchandise between ports in the United States to be built, owned, operated and manned by U.S. citizens and to be registered under the U.S. flag

100%

Brazil

Strictly enforced local regulation dependant on length of contract

0%

0 – 90 days

33%

90 – 180 days

50%

180 – 360 days

66%

360 days +



Norway

No regulation in place but Trade Unions are trying to implement a scheme whereby seafarers regardless of nationality receive a set pay dependent on position. This has yet to be passed through parliament and only stands a chance if a Social Democrat government wins at the next election.



West Africa

Each nation differs in regulation but in general recruiting cadets constitutes a satisfactory contribution towards employing locals onboard vessels.

Australia

Exceptions made in the case of zero availability on the condition foreigners are replaced the instance an Australian is available



100%



AHTS

Vessel	Design	Manager	ENTRY	From
Maersk Laser	Maersk L Type	Maersk Supply	End – July	BP UK
Olympic Zeus	A122	Olympic Shipping	Start – Aug	TBA
Havila Jupiter	Havyard 845	Havila	Mid – July	Bluewater

PSV

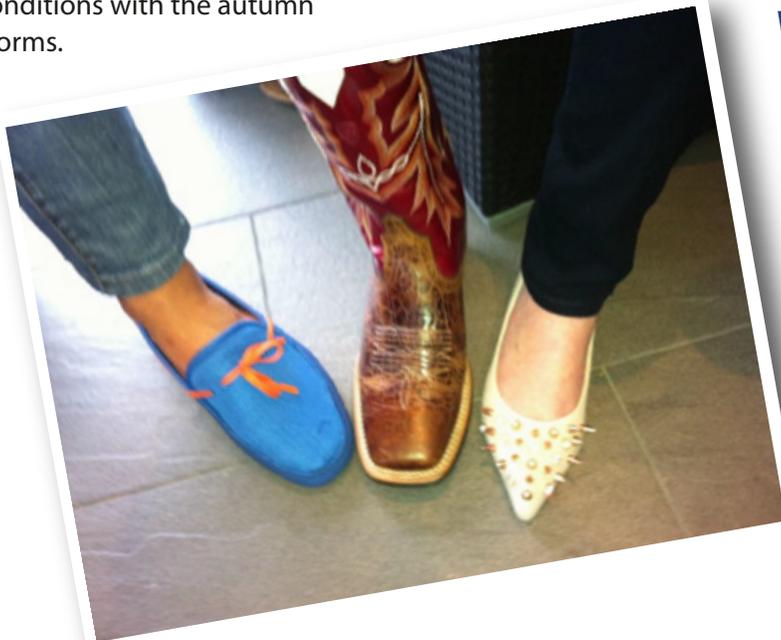
Vessel	Design	Manager	ENTRY	From
Blue Guardian	PX 121	Remøy Shipping	Start – July	Newbuild
Highland Monarch	UT755	Gulf Offshore	Mid – July	Petersons
Highland Defender	MMC 887	Gulf Offshore	Mid – July	Newbuild
FD Unbeatable	UT755XL	Gulf Offshore	Mid – July	Team
Frigg Viking	VS 470 MkII	Viking Supply	Mid – July	Heerema
Island Duke	UT 7171 CD	Island Offshore	Mid – July	Newbuild
Normand Corona	MT6000 MkII	Solstad	Mid - July	Shell
Olympic Electra	MT6009L	Olympic Shipping	End – July	Esso Norge
Idun Viking	VS470 MkII	Viking	End – July	BP UK
SBS Typhoon	VS470 MkII	Viking	End – July	RWE
KL Brofjord	STX 06 CD	K Line Offshore	Start – Aug	Shell Norge
SBS Cirrus	UT705	Viking	Start – Aug	E. On
Fanning Tide	STX 09CD	Tidewater	Start – Aug	Allseas
Bourbon Calm	Ulstein PX 105	Bourbon	Start – Aug	ExxonMobil
Energy Swan	ST216L	Golden Energy	Start – Aug	COP
Energy Insula	VS485MkII	Golden Energy	Start – Aug	COP
Highland Chieftain	MMC 879	Gulf Offshore	Mid – Aug	Newbuild
Lundstrom Tide	STX PSV 09CD	Tidewater	Mid – Aug	COP
Vessel	Design	Manager	EXIT	To
Portosalvo	UT755L	Gulf Offshore	Start – July	Petersons
Island Contender	UT776 CDG	Island Offshore	Start – July	Lundin
Island Crusader	UT776 CDG	Island Offshore	Mid – July	Lundin
Blue Guardian	PX 121	Remøy Shipping	Mid – July	Ross Offshore
Rem Fortune	VS 485MkII	Rem Offshore	Mid – July	COP
Normand Carrier	UT745	Solstad	End – July	TBA
Normand Corona	MT6000 MKII	Solstad	End – July	TBA
Normand Flipper	UT745E	Solstad	End – July	TBA
Stril Odin	MT6000MkII	Møkster	Start – Aug	Esson Norge

The Market in June

The market in June has been consistently tight with very little let up for AHTS or PSVs. In fact this has been perhaps the longest period where the market has been so tight in a long time, during this year at least. Statoil has been very active securing many vessels for various jobs notably pre-lay a work scope we are also seeing certain UK charterers begin to get involved with. Rates for AHTS have varied from 250,000 kr/per day to 1 million kr/per day. On the PSV-side rates came in at over GBP 20K for most of the month as utilisation rarely fell below 90% and more often than not the market was effectively sold out. The weather has in part contributed to the good fortune shared by ship owners at the moment. Calm seas have allowed operations offshore to proceed unhindered, but as autumn approaches so will the storms, this of course could change the market either way. Several AHTS vessels have been absent from the spot market as they took up seasonal project work, these vessel are largely set to return and will add to the change in market conditions with the autumn storms.

		Average Monthly Rates (NOK)		
<i>Vessel Type</i>		<i>jun.13</i>	<i>mai.13</i>	<i>jun.12</i>
AHTS	> 25,000	583 338	466 162	173 387
	18,000 to 25,000	535 010	316 125	184 453
	< 18,000	305 331	263 355	135 182
PSV	> 900 m ²	187 081	139 931	175 763
	< 899 m ²	177 345	122 212	118 927

	<i>jun.13</i>	<i>mai.13</i>	<i>jun.12</i>	<i>mai.12</i>
# of spot supply fixtures	58	76	74	68
# of rig moves	19	22	27	13
# of AHTS fixtures	63	64	74	49
Average Utilization (%)				
<i>AHTS</i>	81,0 %	71,4 %	70,2 %	67,2 %
<i>PSV</i>	94,6	89,7%	88,3 %	85,6 %



Westshore Summer Party

They say you never know a man until you walk a mile in their shoes. Well, in the case of shoe number three at least I can personally testify that walking to the end of the road is enough of a challenge never mind an entire mile. At the annual Westshore summer party a cross section of footwear was snapped by the not so steady hand of Jon Inge Buli. Typifying where the wearer came from to a tee some might say, can you guess where the owner of each foot comes from? In the mix are Canada, Peterhead and Oslo. Answers on a postcard to Westshore Head Office. The winner gets the respect and admiration of hundreds of industry colleagues.