Lloyd's List Daily Briefing
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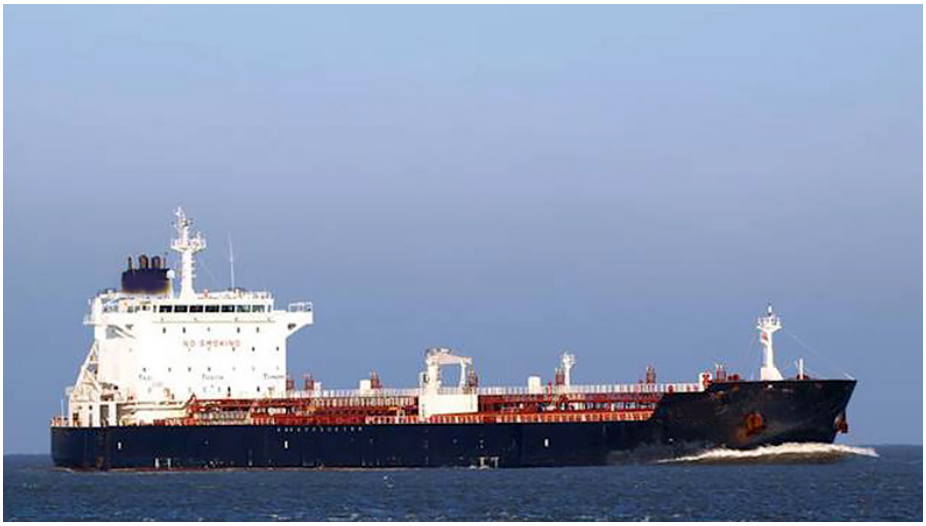
Dark fleet tanker loses engine power transiting Danish waters



AN ELDERLY, DARK fleet tanker, *Canis Power* (IMO: 9289520), experienced engine failure that needed to be repaired as it transited Denmark's Great Belt fully laden with some 340,000 barrels of Russian oil products.

The event, which saw the vessel remain without power for six hours, underscored the rising safety and environmental risks posed by the elderly, anonymously owned vessels without known insurance plying Russian oil trades through coastal waters.

The 2005-built, Cook Islands-flagged *Canis Power* dropped anchor around 1400 hrs GMT on May 15 after the crew reported it had to undertake engine repairs, Denmark's defence operations centre said in an email to the newsroom at Danish television station TV2.

The tanker was two nautical miles offshore from Denmark transiting with its Russia-origin cargo and loaded at the Baltic port of Vysotsk on May 11.

Canis Power is one of some 450 tankers comprising the dark fleet* of anonymously owned, elderly tankers solely deployed in shipping US-sanctioned Iranian and Venezuelan oil as well as Russian oil.

The event adds to further worries that many of these tankers pose pollution and safety risks while they transit environmentally sensitive areas with refined product and crude cargoes, as they circumvent Western shipping sanctions. Earlier this month, another dark fleet tanker *Pablo* (IMO: 9133587) exploded off Malaysia, killing three crew.

Canis Power did not have P&I cover from the 12 clubs that form the International Group, which insures 95% of the global tanker fleet. The lack of proper liability insurance means that who would pick up the cost for compensation of any oil spills, or whether they would be able to, is unknown.

Under sanctions established by the Group of Seven industrialised nations plus Australia, Western marine service providers including vessel owners, insurers, charterers and banks cannot be involved in shipping Russian oil to third countries unless it is sold at or below a price cap.

That situation has seen the number of dark fleet tankers double in the past 18 months as ships are deployed to exclusively ship Russian oil to destinations including China and India, since the EU and UK banned imports.

Canis Power's registered owner is Marshall Islands-incorporated Chatula Marine with technical management provided by Dubai-based Radiating World Shipping Services.

Chatula Marine is a single-ship company at a brass plate address. An email sent to Radiating World Shipping Services, the shipmanager for *Canis Power* and a further 16 dark fleet tankers did not respond. There is no telephone number provided at the website.

Lloyd's List contacted Ece Ertem, the UK-based deputy registrar for the Cook Islands international flag registry, asking whether there had been a Blue Card issued for *Canis Power*, and if so, what was the name of the insurance provider. The Blue Card is issued by the ship's insurer to the flag registry which then issues a certificate saying who provides liability for bunker and oil spills and wreck removal.

She said to put the request in writing via email. She did not respond.

Canis Power, a medium-range tanker, was signalling its next destination at Ceuta, indicating it was sailing for international waters near Gibraltar which has been used as a ship-to-ship transfer point for Russian cargoes consolidation.

The area of Ceuta has become a popular destination for cargo transfers, alongside other areas off Kalamata, Greece, and Kavkaz, Russia, taking place outside the jurisdiction of port state control.

The environmental and pollution risks these tankers pose while undertaking ship-to-ship transfers is now under discussion at the International Maritime Organization.

A submission by the United Agency's marine environment protection committee wants flag state authorities to step up enforcement of transfers, especially those taking place while tankers are not transmitting Automatic Identification System signals.

* Lloyd's List defines a tanker as part of the dark fleet if it is aged 15 years or over, anonymously owned and/or has a corporate structure designed to obfuscate beneficial ownership discovery, solely deployed in sanctioned oil trades, and engaged in one or more of the deceptive shipping practices outlined by US State Department guidance issued in May 2020. The figures exclude tankers tracked to government-controlled shipping entities such as Russia's Sovcomflot, or Iran's National Iranian Tanker Co, and those already sanctioned.

WHAT TO WATCH

Euronav AGM completes boardroom clean-out as shareholders size up future strategy

TWO independent directors were appointed at Euronav's annual general meeting yesterday as the tanker owner prepares to reset its strategic direction.

Julie De Nul and Ole Henrik Bjørge joined the supervisory board for a two-year term, in what is regarded as the last of a series of long-standing, complex corporate manoeuvres to redraw Euronav's management and board composition.

Chief executive Hugo de Stoop announced he was resigning after 20 years with the company on May 16.

De Nul was earlier rejected as a candidate at a March 23 special meeting of shareholders after being proposed by the Saverys family-controlled Compagnie Maritime Belge at the emergency general meeting.

She was then re-nominated as an independent director for the shareholders' vote at yesterday's annual general meeting.

Euronav's board had also nominated Bjørge for an independent director's position.

CMB and affiliates hold 22.92% of shares, equivalent to 24.99% of voting rights, while entities controlled by Norwegian-born tanker billionaire John Fredriksen have a 24.29% stake and 26.46% of voting shares, Euronav said on May 11.

The battle for control of Euronav, which reported a first-quarter profit of $175m, has run for nearly 13 months, since Fredriksen's rival, New York-listed Frontline, announced in April 2022 it had signed a term sheet with the company's management for an all-share merger agreement.

The agreement, which struggled to fly amid well-publicised criticism from CMB, would have created the world's largest owner of very large crude carriers, with the company listed in Belgium, New York and Oslo and worth more than $4.2bn.

Frontline cancelled takeover plans in January after CMB and its holding company Saverco spent tens of millions of dollars over 2022 rebuilding its stake in the company they founded to thwart Fredriksen's plans.

CMB, led by Alexander, Marc and Ludovic Saverys, have maintained that their vision to reposition Euronav to focus on shipping's green transition was incompatible with Frontline's pitch to run the merged company as tanker fleet asset managers.

The board composition now sees John Fredrisken and Cato Stonex representing Famatown, one of the companies through which he owns his Euronav holdings.

Marc Saverys and Patrick De Brabandere represent CMB.

Grace Reksten Skaugen, who remains as chairman, is the only original board member who has not been replaced. She joined in May 2022.

Anita Odedra and Carl Trowell, the other two independent directors, did not stand for re-election and were replaced by the two new entrants.

Grain deal extended, according to Ukrainian official

THE UN-brokered Black Sea Grain Initiative has been extended to July 18, the day before Russian officials said the agreement would expire, according to a social media post by Ukraine's minister of infrastructure Oleksandr Kubrakov.

The initiative, known as the grain deal, enables the export of certain agricultural products from three of Ukraine's greater Odesa ports — Chornomorsk, Odesa and Yuzhnyi.

"Black Sea Grain Initiative has been unblocked, continue to be valid till 18 July as before," Kubrakov said in a tweet.

Russian officials set a deadline of May 18 on the grain deal's extension when it was renewed in March. This was not agreed by all parties.

Moscow indicated that a further continuation of trade under the initiative was dependent on tangible progress in the facilitation of Russia's grain and fertiliser exports.

Details on the extension have yet to be released.

Trade under the initiative ground to a halt in the run-up to the Russia-imposed deadline, with the last participating ship departing Ukraine this morning.

International Group needs US affiliate, Ioannou argues

"THE American Club was born from the need for an American club to exist," insists its recently appointed chief executive.

"It makes me think of Voltaire's saying that if God didn't exist, it would be necessary to invent him. If the American Club didn't exist, it would be necessary to create it."

No one can accuse American Club chief executive Dorothea Ioannou of lacking confidence in the mission of her employer.

But while no one would question the workings of providence, TAC is not obviously divinely blessed.

It remains the smallest affiliate in the International Group by some margin. It has lost a lot of money for its size, and in recent years has had to clobber members for hefty supplementary calls to shore up its balance sheet.

Its accountancy practices — particularly the treatment of earned but unbilled, or 'EBUB' premiums, which flatters its financial statements by booking revenue before it materialises — have also raised eyebrows.

But although Ioannou has only been in the job for nine months, she has been able to continue the turnaround initiated by her predecessor Joe Hughes.

Concretely, she can point to her first renewal round, culminating on February 20, which saw a 25% growth in P&I entries and 17% growth in premiums.

Indeed, she feels TAC's small size played a role in those successes, by making it easier to offer shipowners a personalised service.

"We've been growing organically, which is great," she said in an interview on Wednesday (May 17). "Because our members like the way we do things, they speak highly of us to their peers. That has been key with us.

"We're not going to be growing for the sake of growing. We're never going to become the UK Club. We have a certain niche in the market, and for us, it's about finding the right balance of size and premium."

Also of assistance has been its legal domicile in the US, which has given it long experience of handling the ups and downs of world politics.

"We've been dealing with sanctions since way before any of the other clubs because of our American domicile.

"We give reliable information and we answer complicated questions, and that's very important to owners dealing with the uncertainty of certain types of trades."

As Lloyd's List reported in April, TAC previously insured at least 15 vessels operated by Gatik Ship Management, which has been linked to the so-called dark fleet engaged in trading with sanctioned countries.

The club and the Mumbai-based tanker outfit have now parted company, although Ioannou is reticent to discuss the issue on grounds of client confidentiality.

"One day they were on our website and the next day they weren't... All I can tell you is that we no longer insure them. You can draw your own conclusions."

As far as can be established, Gatik's vessels are no longer covered by Western insurers, and their insurance status is unclear. The apparent lack of reliable mainstream P&I and hull cover is cause for concern, not least to Ioannou.

"You run the risk that in a fortuitous event — nothing to do with the standard of the ship — there won't be sufficient insurance to cover an oil spill.

"The second level of it is that we may be increasing the risk of accidents. When you're outside the IG, that increases the risk of lower standards, which increases the risk of an accident."

TAC's accounts are drawn on a calendar year rather than a P&I year basis, and financial statements for 2022 have yet to be published.

Two clubs — Skuld and West — have so far given details of their performance for 2022-23, and both succeeded in making technical surpluses, bringing their combined ratios the right side of the 100% mark.

Financial results

Ioannou would not be drawn on whether American Club will follow suit but did indicate that financial results are likely to show improvement.

"We will be releasing figures in the next month, so I don't want to jump the gun.

"What I can tell you is that, for the current year, loss expenses are lower than at this point last year, and the pro rata premium is higher. So that gives me cause for optimism."

She did admit to a 10% negative return on investments, which will presumably have a concomitant impact on the bottom line.

"Our combined loss ratio will not be in the 100% range. But I do know from the preliminary numbers that it will be nowhere near where it was for 2021, when it was 138%, our worst year in recent history."

It's still too early to make a call on 2022, but it is worth noting that some incurred-but-not-reported, or "IBNR", claims have not developed as badly as first anticipated, which could herald a return to technical surplus next time round.

Iaonnou also defended booking EBUB premiums on its profit and loss account, something no other club in the IG does.

"We're not under a Solvency II regime. We're New York state regulated. The other clubs have the benefit of tier two assets and get some benefits when they are doing their solvency returns, based on the assessable nature of the policies.

"EBUB recognises the adjustable nature of premium entitlements for mutual insurers. It recognises the ability to raise additional assessments. It doesn't mean that you will, but it recognises the ability to do so."

Last year TAC imposed a 10% additional premium target, in line with the going rate for the P&I niche as a whole, and while the club will "look to further adjustments" next year, they will be account-specific.

To some extent, increases have been necessary to make up the 30%-40% rate erosion that marine mutuals sustained during the industry downturn after 2008. She expects to avoid further supplementary calls, she added.

One of TAC's established sidelines is its Eagle Ocean Marine fixed premium and American Hellenic hull products. Ioannou is a fan of both.

"They bring classic diversification benefits. Both have expanded our client base. The American Club was one of the first to delve into fixed premium for coastal shipping, and it filled a need in the market for the type of tonnage that wouldn't have come into the mutual."

Several non-members have first engaged with TAC via Eagle Ocean or American Hellenic, decided they liked what they are getting, and ultimately signed up for the P&I offering.

New era

Even in the possible new era initiated by the NorthStandard merger, Ioannou does not have any qualms about the smallest kid on the International Group block.

"I don't feel any extra pressure, because the others were all bigger than us from the beginning.

"We believe we hold a unique role within the IG. We have our own role to play in the sector. We are the only American [affiliate]. We need certain specific needs.

"It would be technically difficult for anyone to merge with us. We don't have a common regulatory domicile with anybody, and we don't have stock to sell. It makes us a challenging merger partner."

But the IG benefits from having a member with US regulatory domicile, from both the diversification and regulatory perspectives.

"Even beyond the technical barriers, we've been content to stick to our own model for years. The American Club is very much worth preserving in its own right, for that.

"We're content. We like who we are. We haven't been approached, I can tell you that."

ANALYSIS AND OPINION

Lloyd's exclusion clauses do not meet shipping's needs, says marine cyber insurer

LLOYD'S new cyber war and terror exclusion clauses are based on outdated assumptions and represent a one size fits all solution that does not meet the industry's needs, according to a prominent marine cyber risk insurer.

In particular, they fail to take into account the vast improvements shipping companies have undertaken to their cyber defences in recent years, charged Astaara chief executive Robert Dorey.

Since the end of March, Lloyd's has stipulated that all standalone cyber attack policies must include an exclusion for state-backed attacks, including those mounted by security and intelligence services.

The requirement has divided market opinion, with some participants highlighting the difficulty in proving state involvement, as well as defining which entities should be recognised as a state.

The upshot, according to the critics, is that insureds would be left uncertain as to whether they would get paid out if they suffer an attack.

Dorey maintained that the restrictions seem to be based on Lloyd's fear of a rerun of the NotPetya attack of six years ago.

Responsibility for the incident in June 2017 has not been definitively established. But the UK's official National Cyber Security Centre has declared itself "almost certain" that it was the work of Russia's military intelligence service.

NotPetya is thought to have caused around $10bn in economic losses, of which somewhat under £3bn was insured.

The attack targeted Ukraine's financial, energy, and government institutions and was not designed to extort money, exfiltrate data or even spread any further.

But ultimately it became the first global cyber incident, with victims including containership operator Maersk as well as pharmaceuticals major Merck and snack food giant Mondelez.

Maersk got caught out when one of its truckers paid customs duty at a Ukrainian customs booth and emailed an infected PDF of the receipt to Maersk headquarters in Copenhagen.

Within 14 minutes of the email being open, NotPetya destructionware had wiped the master boot record of thousands of Maersk computers and deleted data, whether encrypted or not.

It was not enough to delete the malware, and Maersk ultimately had to foot the bill for new kit. The company ended up $300m out of pocket.

"The thing is that shipping companies now do not organise their cyber security now in the way they did in 2017," said Dorey.

"If they had been running Windows 8 or had patched up to recommended levels from the service provider, and had segregated their systems, then you would not have had this incident as it is now reported.

"We are not dealing with the same degree of cyber vulnerability in 2023. There's an argument that the horse has already bolted and the world has moved on."

It used to be the case that when companies "fall over" — to use the jargon term for being taken down by cyber attack — their IT systems would be out of commission for three to six months.

Now the "RTO", as experts abbreviate returned time to operations, is likely to be measured in days if not hours.

As a result, Astaara feels it is reasonable to write the risk if cover is contingent on companies having sufficient protective measures in place.

Dorey also pointed out that higher national regulatory standards have been introduced in many jurisdictions since 2017, and that International Maritime Organization guidelines make cyber preparedness a condition of seaworthiness.

Britain's Prudential Regulation Authority has also updated its guidelines on cyber underwriting.

"If you are a reinsurer and you are underwriting lots of managing general agents, you may think you have no way to manage your exposure or to assess or model your potential downsides.

"But that's as much to do with the way people underwrite than what the underlying risk looks like."

He feels the Lloyd's cyber exclusion clauses miss the point for bigger operators in critical state infrastructure, such as industrial manufacturers, pipelines, airlines, ports and major shipowners.

Such companies generally have enough corporate leadership and risk management discipline to run their businesses to a high level of cyber maturity.

What marine insurers now need to debate is where these clauses should be focused, rather than whether they should be deployed at all.

"What you are doing is denying the opportunity of credible, well-managed businesses to have cover when they most need it."

The maritime community is a sophisticated insurance buyer and knows what it wants and why it wants it. If Lloyd's does not provide it, it risks losing the business.

"The biggest impediment on buying cyber insurance is that people don't trust it to pay out when it needs to.

"The feedback we've had from shipowners, ports and offshore operators is that they've had experience of other products where a war or terror exclusion has denied them access to an insurance recovery."

Astaara has deliberately targeted its underwriting capacity outside of Lloyd's. As its policies are written net line, they are not subject to the clauses.

Message to UAE maritime: listen to your children

THE United Arab Emirates hosts the next gathering of the Conference of the Parties to the UNFCCC. COP28 meets at the end of November, a year after Sharm El-Sheikh, two years after Glasgow and seven years after the Paris Agreement radically changed the agenda for shipping.

For an economy based on fossil fuels, UAE's commitment to transformation has been challenging.

In 2015, the Nationally Determined Contribution (NDC) made the UAE the first country in the region to commit to an economy-wide reduction in emissions by 2030. Last November the National Net Zero by 2050 Pathway was launched, laying out the timeframe and identifying the mechanisms to implement the UAE Net Zero by 2050 strategic initiative.

There has been no holding back the commitment to the cause at this week's Logistics Middle East conference in Dubai.

The nation looks forward, planning the development of its economy far into the future. Its 'Projects of the 50' initiative covers entrepreneurship, advanced skills, the digital economy and next-level technologies.

The ministers and managing directors addressing the first day of the Seatrade Maritime event on Tuesday were rightly proud of Dubai's rise to the premier league of maritime host cities. However, senior leadership talking about economic transformation in the decades long after they have retired has less impact than the younger generation staking their claim to UAE's future.

That's why the most encouraging part of the first day of the conference was the celebration of the '20 under 40' class of 2023.

The future leaders invited onto the stage at the gala dinner were all under the age of 40, yet already with many more than 20 years' experience to call upon. It was a line-up that brought diversity of thought as well as diversity of gender, with a fizz of energy that strained to be making decisions even as they stood for the group photo.

The UAE's commitment to emissions reduction should not be doubted, however, the national leadership must recognise that 2030 and 2050 belongs to the under-40s and under-30s. I wanted to hear their hopes and dreams for a carbon-free UAE.

In March, COP28 leadership launched an initiative to ensure young people's perspectives are at the heart of global policymaking on climate change. Maritime and logistics play a key role in Dubai's and the UAE's economy, and policy makers under the age of 40 should be carefully listened to.

They hold the answer to shipping's future.

MARKETS

MSC fleet to breach symbolic 5m teu mark

MEDITERRANEAN Shipping Co will pass the symbolic 5m teu capacity mark later this month as it continues to stretch its lead over its rivals.

Figures from Alphaliner show MSC's capacity stands just 43,280 teu shy of the 5m teu mark, which will be breached with the imminent delivery of two 24,000 teu units due to enter service on May 30.

With an orderbook comprising 33% of its existing fleet, however, MSC is not standing still.

"MSC's growth ambitions however will not stop at this point and the Swiss shipping giant's 1.6m teu orderbook of at least 127 vessels could see it reach a fleet of 6m teu by mid-2024, based on newbuilding deliveries alone," Alphaliner said.

The full size of MSC's fleet by then would depend on factors including secondhand acquisitions, vessels chartering, but also dispositions and vessels going off hire.

But the 6m teu figure would leave MSC "well positioned" to run a standalone network when the 2M alliance is dissolved at the end of 2024, Alphaliner noted.

"Unlike most other shipping lines within the top 10, MSC's sheer scale will allow the carrier to offer attractive port pairs on all key trade lanes without joining another alliance set-up," it said.

Nevertheless, Alphaliner expects MSC to maintain selected smaller-scale partnerships on several trades.

2M alliance partner Maersk, which is MSC's closest rival in terms of capacity, has an existing fleet of 4.1m teu and just 370,000 teu on order.

Much of MSC's recent growth has come from a massive secondhand acquisition programme that has seen it acquire a "mind-blowing" 306 vessels since August 2020.

"MSC's historic buying spree brought another 1.2m teu of capacity under the shipping line's ownership," Alphaliner said.

"About two thirds of this comes as a net addition to the MSC fleet, whereas a little over one third of the ships acquired was already on charter to the carrier."

At 6m teu, MSC would have twice the capacity of fourth largest operator Cosco's current 2.8m teu. Its orderbook alone is larger than the entire fleet of Evergreen, which is ranked number six in terms of capacity.

From a single ship in 1970, MSC hit the 4m teu mark in July 2021 and has doubled its size in less than eight and a half years, Alphaliner said.

"MSC's fleet will soon be bigger than the global vessel fleet was at the time the carrier celebrated its 30th birthday," Alphaliner said.

"Adding MSC's 1.6m teu orderbook to its 5m teu fleet and accounting for a number of expected charters would see the carrier — theoretically — reach a fleet size of some 6.7m teu by late 2025."

Adnoc shipping subsidiary listing to raise $607m

ADNOC Logistics & Services will raise $607m in an initial public offering that values the subsidiary of government-controlled Abu Dhabi National Oil Company at more than $4bn when it lists by June 1.

The national oil company is selling a 15% stake in its shipping and logistics arm in one of the biggest Middle East listings so far this year.

Just over 1.1bn shares were priced at between AED 1.99 ($0.54) to 2.01 per share for listing on the Abu Dhabi Securities Exchange.

Adnoc Logistics & Services was incorporated on April 19 and includes a fleet of offshore jack-up barges and offshore support vessels, as well as 22 tankers, 22 gas carriers, bulk carriers and containerships, according to the company's prospectus.

That included six liquefied natural gas carriers due for delivery during 2025 and 2026, and four new very large crude carriers that will begin trading this year, forming $1.1bn of a $4bn investment programme through to 2027.

The Adnoc Group comprised 72% of the division's revenue for year ending 2022, with its three units of integrated logistics, shipping and marine services.

Revenue equated to $2.3bn last year, when adjusted for the newly acquired offshore subsidiary ZMI Holdings. First-quarter profit was $144.9m on revenues of $592.2m.

The company would benefit from the $150bn that the parent company Adnoc Group planned to invest through to 2027 in hydrocarbon projects, according to the prospectus.

The listing also offered insights into the emirate's climate change ambitions for shipping as it supported the UAE's net zero goals for 2050.

The company aimed to lower carbon dioxide emissions by 70% by 2050 compared with 2008 levels, using offsets to meet a portion of those targets.

The goal to lower carbon intensity in shipping by 40% by 2030, was in line with agreed International Maritime Organization ambitions.

Carbon intensity in 2022 was already 21% lower than 2018, the prospectus added.

There were also plans outlined to own and operate so-called green carriers, such as methanol and low-carbon ammonia using carrier fuel for clean hydrogen and support services in low-carbon ammonia production in the UAE.

Abu Dhabi exported 73% of the 4.6m barrels per day of oil produced last year.

"We aim to significantly expand services to our existing clients, attract new clients and explore further growth opportunities in new geographies and areas, such as the construction offshore logistics services sector and expansion of our integrated logistics services platform offering," the prospectus said.

"We are targeting a twofold increase in Adnoc's production volumes to be transported by us by 2030, while growing our share of Adnoc's increased exports in the future."

Citigroup Global Markets, First Abu Dhabi Bank, HSBC Bank Middle East and JP Morgan Securities have been appointed as joint global coordinators and joint bookrunners.

Eagle Bulk and lenders agree $175m credit facility increase

EAGLE BULK, the Stamford-based midsize bulker specialist, has agreed with lenders to increase a credit facility by $175m and push maturities by two years to 2028.

The $485m amended facility was comprised of a $300m term loan and a $185m revolving credit facility, Eagle said in a statement. Currently, $260m is available, including $75m under the loan term and $185m under the revolving facility.

"Following the recent acquisition of four modern ultramax vessels, this financing has significantly increased our liquidity position, with cash and available borrowings now totalling over $400m," chief executive Gary Vogel said.

"Our enhanced liquidity profile positions us well to continue to take advantage of opportunities and create value for our stakeholders, including the potential retirement of our convertible bond which matures in 2024."

The amended facility bears an interest rate of adjusted term Sofr plus a margin between 2.05% and 2.75%, depending on leverage and on Eagle meeting "certain sustainability-linked criteria".

Credit Agricole acted as a lender, structurer and sustainability coordinator, and is the loan's facility agent. Other lenders include Danish Ship Finance, DNB Markets, Nordea, Filial I Norge, Skandinaviska Enskilda Banken, Deutsche Bank and ING.

Star Bulk charters in seven 'eco' bulkers in new push for renewal and efficiency

STAR Bulk Carriers has clinched seven new bulk carriers under long-term charter-in deals in a significant step towards fleet renewal and increased fuel efficiency.

The move came to light as the Nasdaq-listed owner posted reduced profits and detailed the sale of a pair of 12-year-old capesizes.

Chief executive Petros Pappas said that the 2011-built *Star Borealis* (IMO: 9587386) and *Star Polaris* (IMO: 9588457) had been sold "opportunistically", taking advantage of an increase in vessel values.

Although Star Bulk has not named the buyer, the pair has reportedly been acquired by Denmark-based Norden for about $65m.

One of the capes was delivered to the buyer in early May and the other is due to be delivered later this month or in early June.

In another fleet development, war risk insurers have agreed to declare the 2021-built *Star Pavlina* (IMO: 9917490) a constructive total loss.

The kamsarmax has been trapped in the port of Mykolaiv since Russia's invasion of Ukraine.

Star Bulk booked a gain of about $28.2m from insurance proceeds related to the case.

Of the seven vessels chartered-in long-term, one — the two-year-old capesize *Star Shibumi* (IMO: 9921623) — is already being operated by Greece-based Star Bulk and is under charter until at least November 2028.

The other bulkers include four Japan-built kamsarmaxes and two ultramaxes of 66,000 dwt to be constructed by Tsuneishi's Cebu yard in the Philippines.

All six of the vessels on order are expected to be delivered next year. All seven of the chartered-in bulkers are "EEDI-Phase 3 latest generation eco-vessels, built at first class shipyards", Mr Pappas said.

He also described the company's co-operation with the Iron Ore Consortium on green corridors as "very positive".

A study carried out for the consortium earlier this week reported that ships powered by clean ammonia could carry iron ore from Australia to East Asia as soon as 2028, and could reach 5% of that trade by 2030, if ammonia wins broad acceptance as a fuel.

The consortium is a co-operation between the Global Maritime Forum, miners BHP and Rio Tinto, and shipping companies Oldendorff Carriers and Star Bulk.

Mr Pappas said that Star Bulk was "optimistic about the medium-term prospects" of dry bulk in view of the relatively modest order book for new vessels and upcoming environmental regulations.

With a strong balance sheet and a fleet of 125 bulkers fully fitted with exhaust gas cleaning systems, the company was "well positioned… to take advantage of the positive market backdrop," he said.

Net income for the first quarter — "the seasonally weakest period of the year" — came to $45.9m, down from $170.4m in the same quarter last year.

Voyage revenues fell to $224m from $360.9m for the year-ago quarter, mainly due to a plunge in market rates during the interim.

Star Bulk's vessels averaged a time charter equivalent rate of $14,199 per day over the quarter, compared with an average daily rate per vessel of $27,405 in the first quarter of 2022.

The company has declared a dividend of $0.35 per share for the quarter, based on an amount of cash available for distribution of $306m, minus minimum cash balances per vessel.

IN OTHER NEWS

Bangladesh to ratify Hong Kong Convention on ship recycling amid record scrapping forecast

BANGLADESH is set to ratify the Hong Kong International Convention for the safe and environmentally sound recycling of ships in the next few weeks, according to BIMCO.

During a recent visit to the country by industry groups, including BIMCO, the government confirmed its commitment to the convention, a crucial step towards it coming into force.

Representatives from the Norwegian Shipping Association, the European Community Shipowners' Association, the International Chamber of Shipping and the Norwegian government were also part of the delegation.

Last grain corridor vessel departs Ukraine

TRADE under the Black Sea Grain Initiative has ground to a halt on the eve of the Russia-imposed deadline, with the last participating ship departing Ukraine this morning, according to the Joint Coordination Centre.

The JCC facilitates the implementation of the United Nations-brokered agreement that enables the export of certain agricultural products from three of Ukraine's greater Odesa ports — Chornomorsk, Odesa and Yuzhnyi.

Barbados-flagged bulk carrier *DSM Capella* (IMO: 9271511) set sail from Chornomorsk today laden with corn destined for Türkiye.

Middle East energy producers fall short of offering shipping alternative fuels

ENERGY producers decided to keep a low-profile at this year's Seatrade Maritime Logistics Middle East conference in Dubai, despite the region's strong potential to produce and export hydrogen-derived alternative marine fuels such as green methanol and ammonia.

Dubai will host COP28 at the end of this year, positioning the Middle East in a central role in the global fight against climate change.

But the region's energy producers missed a chance to promote future alternative fuels production towards shipping's decarbonisation efforts, with none of the sessions at the Seatrade Maritime conference in Dubai involving any representatives from the region's key producers such as Saudi Aramco and Qatar Energy or local clean energy producers such as UAE's Masdar.

Japanese consortium has ammonia-fuelled engine test success

A CONSORTIUM in Japan has completed a milestone test as part of a project for the commercialisation of ammonia-fuelled vessel engines.

The land-based test on the world's first four-stroke, ammonia-fuelled engine has shown ammonia clocking a stable combustion at 80% co-firing ratio, the consortium said in a statement.

Companies in the consortium are container line NYK Line, shipbuilder Nihon Shipyard, diesel engine maker Japan Engine Corp, power generation producer IHI Power Systems Co, and class society ClassNK.

Singapore receives first emission-certified LNG cargo

SINGAPORE has taken delivery of its first liquefied natural gas cargo which comes with a statement of greenhouse gas emissions.

Tanker Maran *Gas Troy* (IMO: 9658240) last week discharged the SGE-certified LNG cargo from QatarEnergy for Singapore-based energy conglomerate Pavilion Energy at the Singapore LNG terminal, according to a company statement and LLoyd's List Intelligence data.

The methodology for the certificate is a verified statement of greenhouse gas emissions associated with producing and delivering an LNG cargo, from wellhead to discharge terminal.

Pyxis chief hails strong first quarter as company 'patiently' eyes fleet expansion

PYXIS Tankers reported strong first quarter of the year earnings on the back of robust fundamentals and expects charter rates to remain above five-year averages in the near term despite prevailing volatility.

"Resilient economic activity, despite recessionary pressures, and increasing mobility in many parts of the world has resulted in solid demand for transportation fuels," chief executive and chairman Valentios Valentis said in an earnings statement.

"Favourable market fundamentals have been supported by low inventories of many refined products, and more significantly, the impact of the conflict in Ukraine has led to continued market dislocation, including arbitrage opportunities, as well as the redirection of trade flows from shorter-haul to longer distances resulting in tonne-mile expansion of seaborne cargoes, thereby reducing available capacity."

Martin Hall moves from Clyde & Co to Hill Dickinson

LAW firm Hill Dickinson has appointed marine casualty specialist Martin Hall as a partner equivalent in the firm's office in Piraeus, Greece.

Hall is well known in the industry for casualty and salvage work after more than 40 years at Clyde & Co.

He opened and ran Clyde & Co's Piraeus office for 16 years and, after returning to London, served as the firm's head of casualty for more than nine years.

"As a leading specialist in marine casualty investigation, his experience in marine salvage, especially Lloyd's Open Form salvage, is unrivalled across the global market," Hill Dickinson said.

Vopak offloads Savannah terminal to BWC

ROYAL Vopak is selling its bulk liquid terminal in Savannah to BWC Terminals, a Houston-based bulk storage and logistics services provider, as it seeks to focus on improving its portfolio's financial performance.

"The divestment of the Savannah chemical terminal is in line with our strategic goals to improve the financial performance of the portfolio, grow Vopak's footprint in gas and industrial terminals and accelerate towards new energies," chief financial officer Michiel Gilsing said in a statement.

"We remain committed to actively manage our portfolio towards infrastructure investments that support the long-term cash flow profile and return ambitions of the company."

Chinese fishing ship capsizes in Indian Ocean with 39 crew missing

A CHINESE ocean-going fishing ship has capsized in the middle Indian Ocean, about 5,000 km northwest of Perth, Australia leaving the 39 crew members on board missing.

According to a casualty report by Lloyd's List Intelligence, the Joint Rescue Coordination Centre of Australia received a distress signal from *Lu Peng Yuan Yu 028* (IMO: 8775651) on May 15 at 1931 hrs UTC, and the ship capsized the next day.

"Late on Tuesday bulk carrier *Navios Taurus* (IMO: 9302762) sighted an upturned hull in the search area," said the Australian Maritime Safety Authority in a statement on May 17. "No survivors have been found as yet."

Classified notices follow