THE NAVIGATOR

FEBRUARY 2013
ISSUE 18

THE MONTHLY REPORT FROM WESTSHORE SHIPBROKERS AS

St. John's, Newfoundland & Labrador - Atlantic Hawk

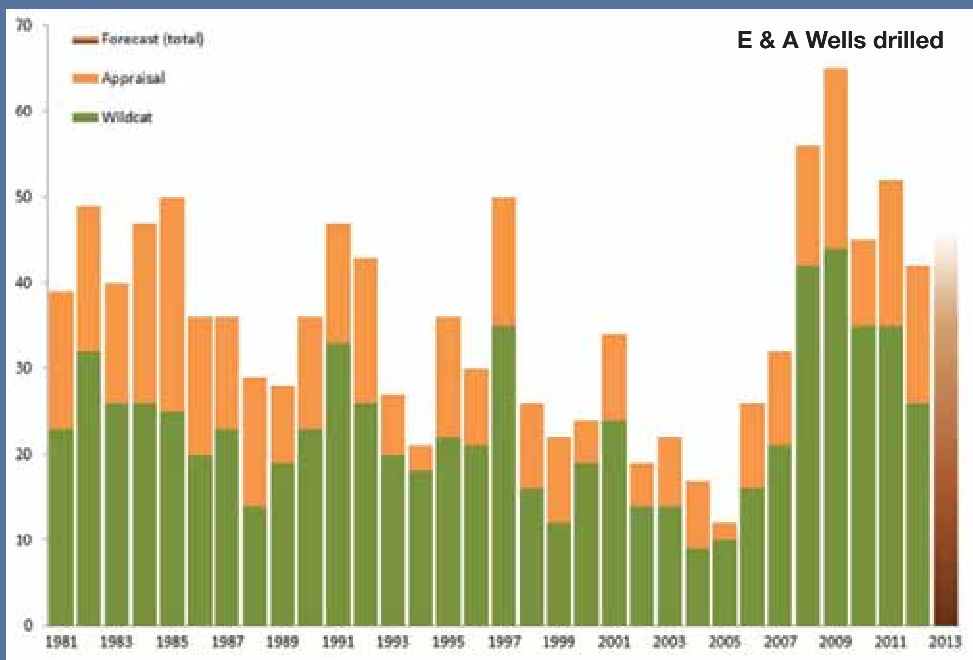
WESTSHORE SHIPBROKERS AS

INSIDE THIS ISSUE:

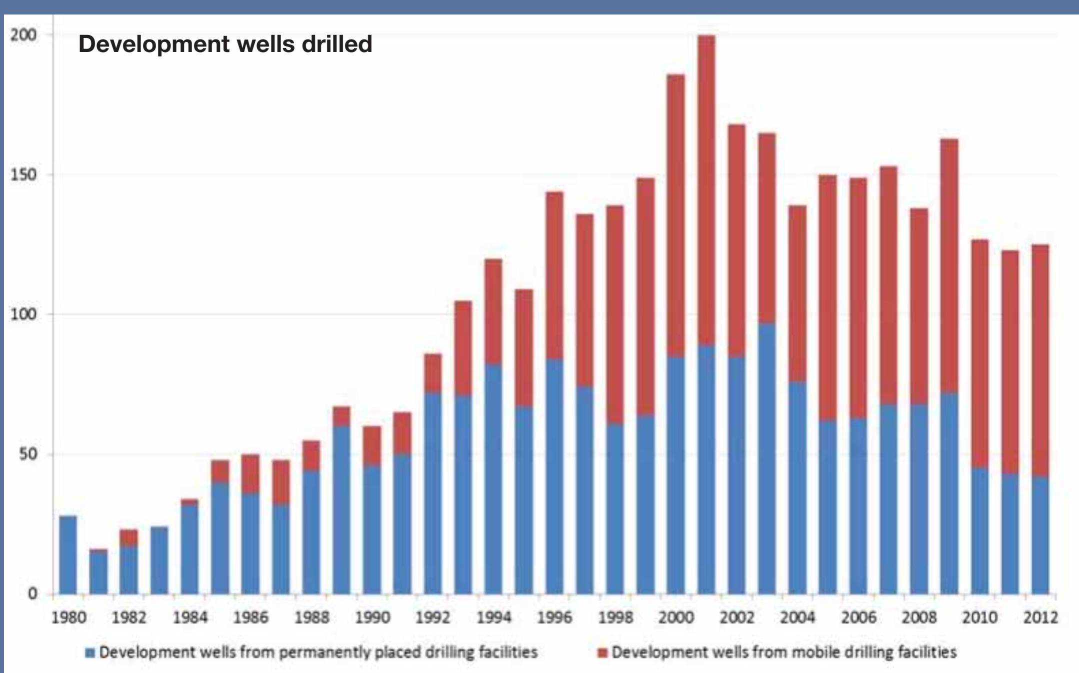
02 HEADLINE NEWS

2012 in the eyes of the NPD.

The year has been a weak one with oil production once again falling, to a greater extent than expected, however gas production has continued its steady rise in the energy mix. This increase in gas production has actually ensured that the total petroleum production increased by approximately 2% from last year despite the fall to 1.53 million barrels from last year's 1.68 million barrels per day. A major reason for the fall in oil production has been the delayed start up and prolonged shutdowns of producing fields.

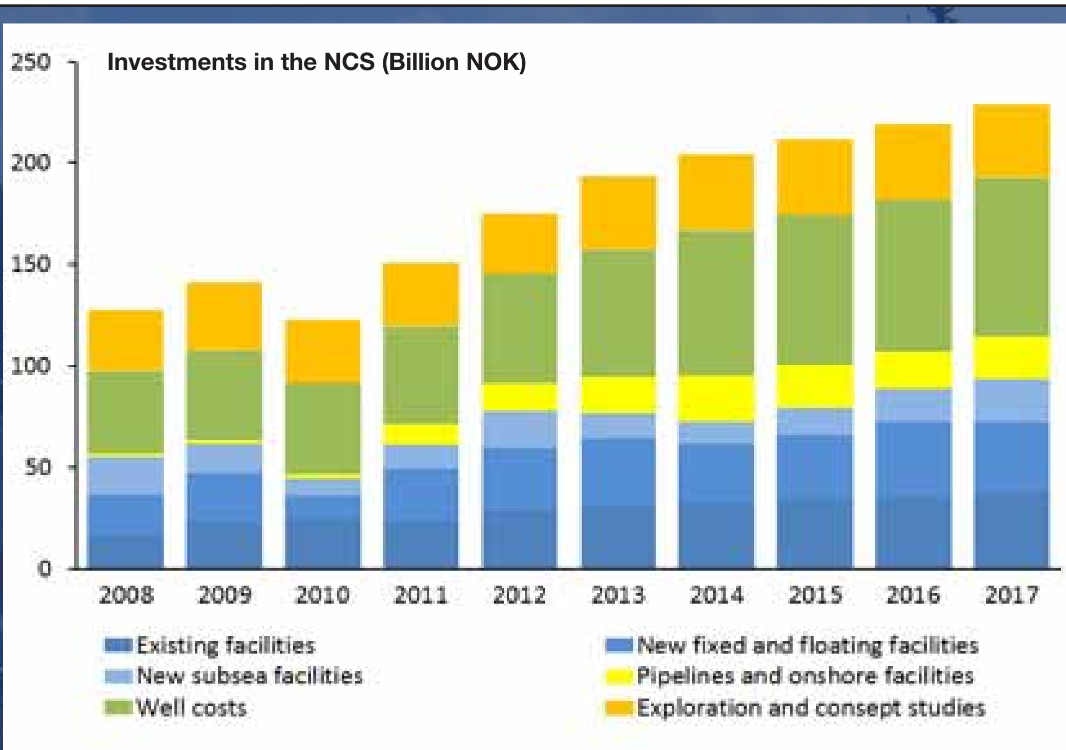


On the exploration front the year started out with a bang with the Havis find in the Barents Sea, which given its location will be tied into the Skrugard development, the two combined hold an estimated 400 to 600 million barrels of recoverable oil equivalents. In total there were thirteen new discoveries, of which the aforementioned Havis find was the largest, while the Wintershall discovery at Skarfjell and the King Lear finds by Statoil in the North Sea were also significant. In total the 13 new discoveries last year are estimated to hold 4.6 billion cubic feet of oil equivalents, increasing the NCS total reserves estimate by 4% to 480 billion cubic feet of oil equivalents.



The total number of wells drilled in 2012 on the exploration front was 42 down from 52 wells drilled in 2011, this despite the increased rig fleet operating in the region. The major difference was in the number of wildcat wells, which fell with 25%. However the number of development wells drilled by mobile units increased slightly from last year, but has basically maintained in the same levels the last three years. The majority of the spudded exploration wells were in the North Sea with 29, while eight wells were spud in the Norwegian Sea and five in the Barents Sea. The NPD estimate that 2013 will have approximately 50 exploration wells

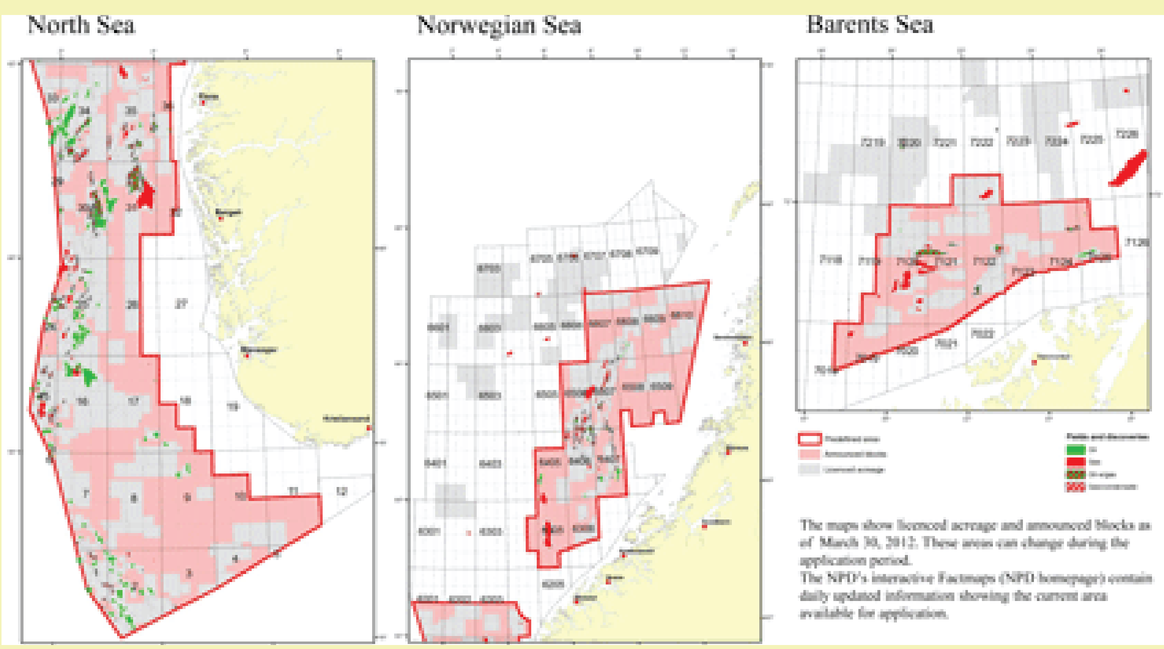
03 HEADLINE NEWS



drilled, which hangs in nicely with Statoil's plans to increase their number of E&A wells over the next three years from 14 to 30.

During the year there were eight plans for development and operation submitted, with four approved in the North Sea and two in the Norwegian Sea before year end. The directorate has stated that another 20 plans for development will be submitted by oil companies over the next two years. There has been good feeling in the NCS, much due to the oil price and some decent finds over the past couple of years. The activity is likely to continue going forward with investments continually on the rise, for the coming year directorate has estimated NOK 157 billion increasing to approximately 190 billion in 2017, on top of these figures there is an estimated NOK 35 billion in exploration costs during the next five years. Interestingly enough the directorate believes that oil production will continue on its steady decline the coming year, however as this trend will change as from 2014.

Awards in Pre defined areas 2012



The interest in the licensing rounds for both new and mature areas on the Norwegian Continental Shelf was very high last year, reaching record numbers. In the middle of January the first offers for the mature blocks in the pre defined areas were made by the oil and energy department. There were a total of 47 companies that applied and were evaluated with 40 of them receiving offers in at least one production license. The APA acreage has been on the rise since the first round in 2003 with a total of 196,625 km^2 during this last round. Almost all of the oil majors have received offers in the round apart from BP who did not bid, seeing a total of 51 new licenses being offered. As expected Statoil have run off with the most number of operator licenses, in total 7, while they have takes in 7 other licenses. Statoil picked up the largest license containing 7 blocks in the Barents Sea, partnering up with Eni and Petoro, while Eni's one operatorship is in the Barents Sea also together with Statoil. In total 3 licenses were offered up in the Barents Sea with Lundin picking up the last one, all licenses falling to operators with experience in the region. Otherwise Spring Energy recently acquired by Tullow Oil came up big with 4 operator offers and takes in 7 other licenses including the Lundin license in the Barents Sea. Shell and Total had 4 operator offers each while ExxonMobil received offers for takes in 3 licenses.

04 JANUARY MARKET SUMMARY

The beginning of 2013 started out poorly despite a fair amount of activity in the close of December with utilization in the 90's by the end of the first week in January. Despite the tighter market, most vessels were fixing at low rates apart from those for passenger transport given the continued helicopter issues. However as we know utilization for PSVs needs to rise to the mid 90's in order for rates to really move upwards. However the average for all sizes increased to approximately 70,000 per day in the month of January versus the rates closer to NOK 60,000 per day seen in the month of December. The market availability has been fairly tight in Norway, but with Statoil holding many vessels there hasn't been a substantial push on the rates. The end of the month once again saw rates around NOK 100,000 mark for Norwegian tonnage with activity levels during the month reaching 83 fixtures for supply duties.

The Anchor handler market was faced with poor momentum coming into the New Year with few fixtures in the Norwegian market the first two weeks and rates hovering around NOK 90,000 per day on the UK side. However just when Norwegian activity seemed all but dead Esso and Wintershall came out for seven vessels to move the West Alpha and the TO Arctic some two thirds of the way into the month bringing supply down in Norway. With supply tight on both sides of the North Sea for the last week we saw some rates jumps with Havila Venus reportedly getting NOK 1 million per day for the TO winner rig move, while the Far Sapphire cashed in NOK 950,000. The Utilization increased from 50% in the middle of the month, reaching 84% just a week later. The total average monthly rates for all AHTSs reached NOK 215,368 per day close to double that of December rates with 57 fixtures during January a 35% increase in activity from the same period last year. The tail end of this month has shown some of the strongest rates seen for a considerable period.

TERM FIXTURES

Date	Vessel	Operator	Scope	Rate (p/d)	Region
02.01.2013	Normand Progress	EDT	General Support, Approx 60 days	RNR	Med. Ocean
02.01.2013	Brage Trader	SPD	Supply duties, 1 well firm + 1 well option	GBP 9,750	UKCS
09.01.2013	KL Brofjord	SPD	Support TO Prospect, 1 well firm + 1 well option	GBP 11,000	UKCS
11.01.2013	Far Spica	Statoil	3 wells firm + 3 wells option	RNR	East Africa
11.01.2013	Far Scotsman	Statoil	3 wells firm + 3 wells option	RNR	East Africa
11.01.2013	Eldborg	Statoil	3 wells firm + 3 wells option	RNR	East Africa
11.01.2013	Island Crusader	Repsol	Support TO Barents 1 well	RNR	NCS
22.01.2013	Saeborg	BP Norway	5 years firm + 5 X 1 year options	RNR	NCS
22.01.2013	Torsborg	BP Norway	5 years firm + 5 X 1 year options	RNR	NCS
22.01.2013	Island Challenger	BP Norway	5 years firm + 5 X 1 year options	RNR	NCS
22.01.2013	Island Chieftain	BP Norway	5 years firm + 5 X 1 year options	RNR	NCS
24.01.2013	North Promise	Senergy	Support Ocean Nomad, 1 well firm	GBP 10,500	UKCS
30.01.2013	Durga Devi	RWE	Support Ensco 70, 3 wells firm + 2 well options	RNR	UKCS

OUTSTANDING TERM REQUIREMENTS

Date	Operator	Requirement	Scope / Period	Start up	Region
22.01.2013	GDF Suez	PSV	For 1 well	15.02.2013	UKCS
21.01.2013	Premier Oil	PSV	Up to 5 wells	15.02.2013	UKCS
11.01.2013	Peterson	PSV	1 yr firm + 2 yrs options	20.03.2013	UKCS
10.01.2013	E.On	PSV	For 2 wells firm + 1 well option	15.02.2013	UKCS
13.12.2012	BP UK	PSV	Up to 5 years	01.03.2013	UKCS
20.11.2012	BG UK	PSV	3 yrs or 5 yrs + options	01.02.2013	UKCS
13.11.2012	Statoil	AHTS	AHTS for 1+1/3+3/5+3 years	01.06.2013	NCS

AVERAGE MONTHLY STATISTICS

Average Monthly Rates (GBP)				
Vessel Type		*jan.13*	*des.12*	*jan.12*
AHTS	> 18,000	23 168	17 244	14 480
	15,000 to 18,000	19 637	8 091	10 035
PSV	> 800 m²	9 197	7 390	8 970
	< 799 m²	6 716	4 974	6 791

	jan.13	des.12	jan.12	des.11
# of spot supply fixtures	83	95	77	64
# of rig moves	18	20	16	20
# of AHTS fixtures	58	61	37	58
Average Utilization (%)				
AHTS	77.6%	68.2%	72.3%	78.9%
PSV	85.7%	82.9%	85.3%	78.3%

05 NEWBUILDING NEWS

NEWBUILD DELIVERIES
NEXT SIX MONTHS

February 2013
Sea Falcon (PX 105)
Far Sitella (STX PSV 08 CD)
Vestland Cetus (VS 485 MKII)
Sea Tantalus (STX 05 LCD)
Lundstrom Tide (STX PSV 09 CD)
FD Unbeatable (UT 755 XL)
Sayan Princess (Havyard 832)

March 2013
Blue Power (PX 121)
Ben Nevis (Havyard 832)
Dina Star (MT 6015)
Troms Lyra (STX PSV 08 CD)
Island Crown (UT 776 CD)

April 2013
Far Senator (UT 731 CD)
Blue Thunder (PX 121)
Sea Titus (STX 05 LCD)
Far Senator (UT 731 CD)
Unknown (VS 485 MKIII)

May 2013
Ocean Scout (UT 755 LC)
Far Starling (STX PSV 08 CD)
TBN (Havyard 833 L)
Sea Flyer (PX 105)
Island Crown (UT 776)
FD Untouchable (UT 755 XL)

June 2013
North Pomor (ST 216 Arctic)
STX Megatrend (STX 09 CD)
Blue TBN (PX 121)
Far Statesman (UT 731 CD)
Iceman (STX AH 12)
Sea Tortuga (STX 05 LCD)
World Diamond (Damen 3300 CD)

July 2013
Makalu (Havyard 832)
Sea Triumph (STX 05 LCD)
Sea TBN (PX 105)

Recently delivered
Far Spica (STX PSV 08 CD)
Rem Leader (VS 499 LNG)
Bourbon rainbow (PX 105)
Energy Insula (VS 485 MKIII)

VESSEL NEWS

-The Bourbon Rainbow was delivered at the end of the month and will mobilize to the North Sea expected to arrive late March for upgrades.

-Rem Offshore will build an OSCV vessel at Kleven Verft AS with the MT 6022 L design with a length of 117 meters and a breadth of 22 meters. Rem will receive the vessel in the second quarter of 2014. The total cost of the vessel is approx. NOK 580 million.

-Atlantic Offshore has ordered an ERRV with Shipbuilder Havyard backed by a contract with Shell for use at the Fram Field in the North Sea. The field support vessel will have the Havyard 820 design. This is the ninth vessel in their current orderbook. Their vessel Ocean Response is now expect to be delivered in February with the original slated

-Eidesvik and Subsea 7 have through their joint venture taken delivery of the vessel Seven Viking from Ulstein Verft. The Arctic capable vessels can accommodate 90 people and has a 100t SWL crane and integrated module handling and scale squeeze system. The vessel will go on an eight year contract to Subsea 7.

-The Dutch outfit Vroon Offshore has confirmed two newbuild PSVs to be built at the COSCO Guangdong Shipyard in China. The vessels will have the Ulstein PX121 design with an overall length of 83.4 meters and deadweight tonnage of 4,200. The vessels are due for delivery in first quarter of 2015. The shipyard announced the contract value at USD 54 million with an option for two more vessels. The owner has also ordered a subsea support vessel newbuilding at the Fujian Southeast Shipyard in China the vessel to be named VOS Sugar is scheduled for delivery early 2015 and follows to other vessels built for Vroon in 2012. The length of the SSV is 68 meters with accommodation for 50 people.

-Aries Marine an offshore operator in the US has ordered two large PSVs from Leevac Shipyards in Louisiana, the vessels with LDS 270 DE design have an expected delivery date of October 2014 and February 2015.

-The first of six PSVs on order through World Wide Shipping a company owned by a group of Norwegian and international investors has been launched, the vessels will be managed by Remøy Management AS. The vessel has been built at Damen Shipyards in Galati Romania with an expected delivery in the second quarter of 2013.

-COSCO Zhoushan Shipyard will build four UT 771 CDL PSVs for East Sunrise Group a Hong Kong based vessel owner. The vessels will be delivered from March 2014 and onwards.

-Swire Pacific Offshore expects to take delivery of their 17,864 BHP Anchor Handler Pacific Defiance with Havyard 844XL design at the beginning of February from Drydocks World yard in Dubai. The vessel with an 87.8 meter length and BP of 220 has DP1.

-Three PSVs with STX 09 CD design that were originally ordered at STX OSV Holdings Limited by STX Pan Ocean Co. Ltd. in 2010 were purchased by Tidewater. The vessels are expected to be delivered over during the course of the first three quarters of 2013.
for Subsea 7. The design will be the VS 4725 and will be built by Hyundai Heavy Industries with an expected delivery in 2015. The vessel will be 123 meters long with DP 3 and have accommodation for 110 people.

06 DRILLING & PRODUCTION

-The harsh environment driller Leiv Eiriksson is expected to arrive in Norway after a campaign in the South Atlantic off the Falkland Islands. Rig Management Norway had secured the rig for about 3 years at approximately USD 560,000 per day. The contract is for 15 wells firm plus three 6 well options. The initial project is the appraisal wells at totals Norvang discovery in the Barents Sea for approximately 62 to 104 days.

-Tullow Oil has confirmed its option on the ultra deepwater semi submersible rig West Leo for two years from May 2016 to May 2018. The rig has therefore extended its stay in Ghana and will remain in the region for another five years. The extension of the contract is estimated to be at about USD 450 million which would give a daily rate of USD 616,000.

-BP began oil production in January from the new combo platform in the Valhall field in the southern part of the Norwegian North Sea. The new extension is expected to extend the Valhall fields life with approximately 40 years and will by the second half of 2013 produce 65,000 boe per day. Production began at this field in 1982, with max capacity now at 120,000 boe and 143 million cubic meters of gas per day.

-The Danish energy company DONG is looking to invest 1 billion Euros in a new offshore wind farm in the UK sector of the North Sea. The Westernmost rough will see the development of 35 turbines with the ability to generate a total of 210 MW of power. The construction of the wind farm is due to begin next year with the site operational by first half 2015.

-Seadrill has ordered two new jack-up units at the Dalian Shipbuilding yard in China for delivery in Q1 and Q2 2015. The jack-ups have the F&G JU2000E design with a water depth capacity of 400 ft and drilling depth of 30,000 feet. The rigs will cost USD 230 million each with options for another two.

-Wintershall have announced an oil discovery in the central North Sea approximately 200km outside of the Stavanger coast. The Asha Noor appraisal wells in PL 457 about 3 km north of the Edvard Grieg field have resulted an estimated 20 to 40 million barrels of recoverable oil. They have also made a discovery in the Norwegian Sea with initial calculations between 3 and 20 million square cubic meters of recoverable oil equivalents, which is the equivalent of 18 to 125 million boe.

-Prosafe's flotel Safe Bristolia has been contracted by BG to be used in the UK North Sea at the Everest platform commencing April 2014 for 197 days and then again in 2015 at the same time for the same period length. The two contracts have been valued at USD 119.3 million.

-There has been excitement surrounding Cairns plans for the coming years given their previous campaign in Greenland. An application for drilling in 2014 is subject to approval by the government of Greenland and the company has stated that the 3D seismic over the Pitu Baffin Bay block and southern Greenland acreage is well advanced and that they along with partners Statoil and Nunaoil are targeting exploration drilling in 2014.

-Frigstad Deepwater Ltd which is controlled by Harald Frigstad has ordered two large drilling rigs from CIMC Raffles in Yantai, China. The contract stipulates delivery in 2015 and 2016 with an option for four more rigs. The rigs will be able to drill 50,000 feet at a water depth of 12,000 feet, with a total contract price of USD 1.3 billion.

07 IN AND OUT

PLATFORM SUPPLY VESSELS - IN

Vessel	Design	Manager	ENTRY	From
Normand Flipper	UT 745 E	Solstad	Mid - Feb	Drydock
Normand Arctic	STX 12 LNG	Solstad	Mid - Feb	Dong
Brage Supplier	STX 09 CD	Møkster	Mid – Feb	ConocoPhillips UK
Dina Supplier	UT 755 LC	Myklebusthaug	End – Feb	MOUK
Rem Supplier	UT 755 LN	Rem Offshore	Mid – March	Perenco
Energy Swan	ST 261 LMV	Golden Energy	End – March	Asco

PLATFORM SUPPLY VESSELS - OUT

Vessel	Design	Manager	EXIT	To
Eldborg	Havyard 832 CD	Skansi Offshore	Start – March	Statoil – East Africa
Far Scotsman	STX 08 CD	Farstad	Start – March	Statoil – East Africa
Far Spica	STX 08 CD	Farstad	Start – March	Statoil – East Africa
Troms Castor	VS 485 CD	Troms Offshore	Start – March	Chevron Canada
Bourbon Tampen	P 105	Bourbon Offshore	Start – April	Exxon Mobil - Ireland
Bourbon Topaz	PX 105	Bourbon Offshore	Start – April	Exxon Mobil - Ireland
Torsborg	Havyard 832 L	Skansi Offshore	Start – April	Exxon Mobil - Ireland
Saeborg	Havyard 832 L	Skansi Offshore	Start – April	Exxon Mobil - Ireland
Viking Athene	VS 470 MKII	Eidesvik Offshore	Start – April	Lundin
Vestland Cetus	VS 485 MKIII	Vestland Offshore	Start – May	MOUK

ANCHOR HANDLERS - IN

Vessel	Design	Manager	ENTRY	From
Island Valiant	UT 787 LCD	Island Offshore	End – Feb	OIS
Skandi Stord	KMAR 404	DOF	Mid – Mar	Upgrade
Siem Garnet	VS 491 CD	Siem Offshore	Start – April	Layup

ANCHOR HANDLERS - OUT

Vessel	Design	Manager	EXIT	To
Magne Viking	VS 4622 CD	Viking Supply Ships	Start – Mar	Chevron/Canada
Normand Pioneer	UT 742	Solstad	Mid - Mar	Technip
Normand Ranger	VS 490	Solstad	Mid - Mar	Technip
Strilborg	UT 722	Møkster	Mid – May	AGR Norway

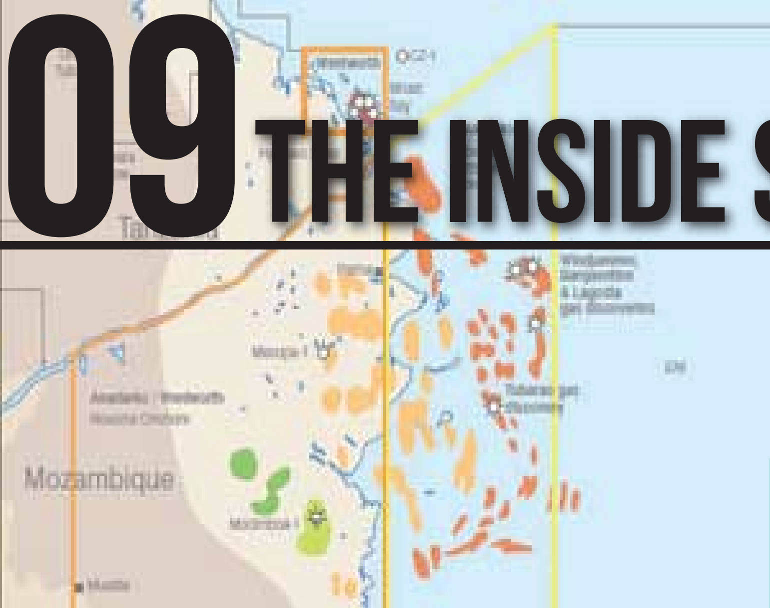
08 MARKET FORECAST

A LITTLE BIT OF EVERYTHING...

Given the overview of the market in the last edition, I have been struggling with what to sink my teeth into this time around, but when Siem Offshore laid up an AHTS there was immediately a fairly interesting topic raising furter quetions whether we would likely see a continuing trend of other owners doing the same. Since that announcement however the market tightened with bad weather keeping a number of vessels out on work, and tsudden grouping of rig moves leading to limited availability. With this tight AHTS market, rates have seen a significant rise over the last couple of weeks and correspondingly it has removed itself as an additional option for the supply duties market. There has been limited availability of PSVs on the Norwegian side for some time now, however rates have hovered around the NOK 100,000 mark and below during the period, much because of the negative feel in the market and sentiment of oversupply, but also due to this availability of Anchor Handlers ready to step in and pick up these jobs. As was seen in the beginning of February, rates began to edge out of those depressed states. This is also due to the number of the PSVs having been picked up on term contracts over the last couple of weeks changing the sentiment amongst owners, and the fact that someof these vessels are expected to leave the North Sea market. Either way we look at it, the market looks significantly better than a month ago, with a little poor weather and suddenly utilization on both fronts was close to 90%. I am obviously not saying this means smooth sailing from here on out, it just clearly demonstrates that the supply/demand curve for vessels is currently very easily susceptible to small changes that will garnish fairly significant changes upwards and throw the equilibrium off balance. The NOK 1,000,000 per day rate seen versus the approximate NOK 150,000 seen a week before demonstrates just that. It's no secret that the offshore market is volatile however the discussions of excessive oversupply may be slightly exaggerated (only slightly). Having a look at the historical rates going backwards the month of January was similar for PSVs and very strong for AHTS given the late month rally, the month of February could break some records historically on both fronts should a status quo of events from the end of January hold for at least a couple of weeks into the month.

As mentioned in the last month's report of the market going forward, one of the major influences will of course be the other regions where North Sea tonnage could pick up some short or long term guest work. One of those regions is the North Atlantic handled by our Arctic office on St John's. So what is going on in Canada? The Hebron project is well underway with the flights to St John's fully booked with contractors, salesman and your top of the line oil and offshore folks. The tender for 5 MPSVs and a couple of AHTS's is well underway, while the extensions at the Hibernia oilfield are going strong with the south extension scheduled for completion in 2014 with additional production expected on stream with the drilling of additional wells. Otherwise Husky Energy will proceed with their South White Rose extension with up to six wells to be drilled in the first quarter of 2013. They have so far been using the Henry Goodrich and GSF Grand Banks for any projects, however November of last year they confirmed a 5 year contract for the West Mira for start-up mid 2015. Other projects see the West Aquarius sitting in Conception bay (the local waiting room) and the Stena Carron arriving in the not so distant future. More news from Eastern Canada puts the headlight on Nova Scotia and the massive bid for parcels made by BP for CAD 1.04 billion in 2012 and those made by Shell in 2011 for CAD 970 million by Shell where exploration plans are currently being drafted. All in all activity is in high gear with the above mentioned projects and others, the build-up of this market could lead to the absorption of a lot of tonnage from the North Sea in the years to come, however we will not likely see significant demand from the region in 2013. There is no doubt though that 2014 is certainly the year to keep your eyes open for activity in colder waters.

09 THE INSIDE STORY



THE EAST AFRICAN GAS BOOM

The West African oil boom has been fairly prevalent over the last years with North Sea vessel owners seeing an increase in activity and recent fixtures indicating a need for larger tonnage in the region. Well the east African gas boom is also underway, stepping back only four years East Africa was not even on the drawing board in discussions of oil and gas with fewer than 500 wells drilled in the area compared with some 15,000 in the west of the continent. Two countries in the region have garnered extra attention lately, namely Tanzania and Mozambique, with Statoil making a major find with the Zafarani Gas field last year with estimated reserves of up to 5 trillion cubic feet of gas and the likes of Eni and Anadarko striking big in the Rovuma basin in Northern Mozambique.

In Mozambique there are a handful of companies that are active, however the main operators are Eni, Anadarko and Statoil. The country has two main sedimentary regions in the Rovuma basin in the north close to the Tanzanian border and the Mozambique basin further south. To date Eni has drilled 7 wells as operator (70%) up north in offshore area 4 with plans of more to come with their drillship from Saipem on charter until the summer of 2014. They have so far announced four major finds in their block giving an estimate of 68 trillion cubic feet (tcf) of gas. Anadarko is the operator of offshore area 1 with a 36.5% take over the 10,500 km^2 concession, where they currently have the Belford Dolphin drillship on contract for another 3 years. The US company has had six successful wells and estimates the total recoverable natural gas in area 1 between 30 and 60 tcf with an upside approaching 100 tcf. Statoil is also involved in the northern region with the operatorship for blocks 2 and 5, where Tullow Oil recently farmed in 25% leaving Statoil with a 65% stake in the blocks. The partnership is now preparing to spud the first well in the license which is scheduled for 2013. Statoil have recently fixed the Skansi Offshore vessel Eldborg for their projects in the region on a nine month project at rates likely around USD 30,000 per day. In Tanzania the tables are slightly different for Statoil, in cooperation with ExxonMobil they made a major find in the Zafarani prospect in block 2, since then two more discoveries have been made in the Lavani prospects with the Ocean Rig Poseidon drillship which they have on charter until March of this year when it goes back to its original charterer Petrobras. Statoil recently fixed two Farstad vessels the Spica and Scotsman which are STX PSVs with the 08 CD design. Other companies with success in the area are BG group and Ophir Energy who have made six discoveries with gross recoverable resources estimated at 10 tcf. BG Group has the deepsea Metro 1 on charter from Odfjell drilling until the middle of this year.

One of the major questions that surround the fate of Mozambique will likely be decided by an Italian or American oil company, as in order to transform the country into one of the largest natural gas exporters to Asia there is the need for liquefied natural gas plants. Eni and Anadarko have come to an agreement to build these facilities together with a plan to construct an LNG liquefaction facility in the Cabo Delgado province of Northern Mozambique. To get an understanding of how the gas industry will affect the economies, the facility to be built will cost approximately USD 25 billion, more than twice the country's current GDP. A major issue with this plan is that both of these companies although strong on the exploration front these last years, have a gap in their CV when it comes to processing and shipping LNG. This problem could have been solved when Shell announced their interest in Cove Energy's 8.5% stake in Anadarko's discovery that was put up for sale, however they were outbid by PTTEP, the Thai oil company.

These regions are fairly new to the O & G sector and therefore the countries are still in the process of trying to set up a model that will benefit the population and not discourage investment. Certainly corruption is not an unknown in Africa and therefore the early years are vital in order to set up a reliable and sound system. Mozambique have only just recently amended their corporate income tax regime to 32% on sales of Mozambique assets held by non-residents, a rate well above the 12.8% levied on capital gains on the Cove Energy buyout. This new tax rate will however affect the future gas sales expected from the production sometime toward the end of this decade.

As the region in the waters of the Indian Ocean develops we are likely to see more opportunities for North Sea owners, with these three vessels picked up by Statoil enough to make heads turn and gratitude from owners for the help at thinning out the congested PSV market on the UK and Norwegian continental shelf. However as we all know African waters can be dangerous, but the allure of easy access to Asian markets will certainly bring investment to the region with many finds having been made over the recent years. With many logistical challenges in the region, and lacking infrastructure it will be sometime before product is brought to the market, in mean time there will be opportunities for supply companies and clearly the larger oil companies are not looking for the older tonnage we have become accustomed to seeing in African waters, but bringing with them the demand for high specification tonnage. The current fleet in the two countries is at about twenty vessels mostly built within the last five years, with the three entering for Statoil the first North Sea operators to bring vessels to the region.

THE LAST WORD

The pictures from this month's Navigator have been taken of the vessels in St. John's, Newfoundland and Labrador. For the time being there are a number Atlantic Towing, Maersk and Secunda vessels sitting in port, including the newly acquired Atlantic Kestral previously named Jaya Supreme.

Darrell Cole and Jon Inge Buli

Jon Inge Buli
Offshore Analyst

Tel: +47 38 12 36 11
Mob: +47 47 44 50 46
Email: jon@westshore.no

WESTSHORE
SHIPBROKERS AS

As always Westshore Shipbrokers could use you help in finding good topics to cover in the monthly editions of the Navigator for the upcoming year. Please send us your suggestions and we will research the topic and include your ideas in our upcoming issues.