

**CJC Exchange** is a weekly newsletter from **Campbell Johnston Clark**, incorporating with kind permission from **Gibson Shipbrokers** the most recent issue of the Gibson Sale & Purchase Market Report. A blend of market intelligence and relevant industry news, CJC Exchange is distributed free of charge to parties on the CJC mailing list who have given permissions to receive S&P updates from CJC. CJC Exchange is available to new subscribers [here](#).

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## Gibson Sale & Purchase Market Report



*With over 125 years of expertise Gibson Shipbrokers is a leading provider of Sale & Purchase, Newbuildings, Recycling and Ship Valuation services.*  
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### Tankers – Active Aframax

The bigger crude boats are still struggling with the lack of crude demand and supply problems, however aframax are doing extremely well and S&P activity is strong. Owners of the "RUMFORD" (107,505 dwt/blt 2012 Tsuneishi) invited offers on Monday and we hear she is already tied up at US\$32.7m to a Greek buyer. It was only at the beginning of April that the "GOLD" (107,488 dwt/blt 10 Tsuneishi) was sold at US\$24m! Earlier in the week we heard the slightly older "MITERA MARIGO" (105,495 dwt/blt 2007 Sumitomo) has gone to Singaporean buyers at US\$24.95m. Age doesn't seem to be an issue with the buying frenzy, as we hear one 2003 built is negotiating closely and the "ALFA ITALIA" (105,588 dwt/blt 2002 DSME) has been sold, albeit on private terms.

There is also strong buying interest in the product sector with values standing firm. Japanese owners have sold the "ST JACOBI" (50,210 dwt/blt 2014 SPP) for US\$24.5m, which is US\$1.5m more than the vessel was tied up for in mid-April, but then failed. Chemikalien Seatransport has added another pair of LR1s to their fleet, namely the "BW LENA" + "BW ORINOCO" (76,000 dwt/both blt 2007 Dalian No. 2) for US\$11.8m apiece with surveys due at the end of this year. Interesting to note that the same sellers sold CST 2 x 2006 built sister vessels for US\$7m each at the end of 2020, albeit they had been trading DPP.

### Newbuilding – High Second-Hand Pricing...Writing on the Wall?

There have been further dramatic rises in pricing on the second-hand markets particularly on aframax. A 15-year old has been sold for around US\$25m and a 10-year old at close to US\$33m. There are specific drivers in the market ongoing here, however pricing of second-hand assets continues to catch up to the newbuilding price. We can secure early 2025 aframax slots, from a reputable Chinese yard, at around US\$58m for comparison and we know a major Greek has confirmed an LOI at a Korean owned facility for early 2025 delivery, LR2 basis, US\$63m. A "wait and

see" strategy may well lead owners facing higher second-hand pricing and also increased newbuilding pricing (from ongoing commodity crisis).

Further ultramax orders are emerging at the yards and pricing now around the US\$35m level. We have commented a number of times before that current tanker sectors performing well may well follow this trend of choosing a newbuilding over modern second-hand given the latter's strong pricing levels and arguably less long term viability from a regulation point of view.

## Dry Cargo – Dry Adjustment?

Without wanting to be a harbinger of doom, the recent fall in the BDI is coincidentally reflected in a drop in value in some of the reported dry cargo sales this week. For instance, the Japanese controlled "CAPRICORN MOON" (81,828 dwt/blt 2015 Tsuneishi Cebu, Philippines) is reportedly committed at region US\$34m, whereas the same age Japanese built BTG vessels were sold at US\$35.6m earlier in the month. Similarly, the "MAJUJAH HARBOURFRONT" (81,922 dwt/blt 2014 Tsuneishi Zhoushan, China) has only managed to achieve region US\$31.65m. But as they say, "one swallow does not make a summer" and certainly the volume of sales appears to be healthy with supramax bulkers continuing to dominate the list.

## Recycling – Tense Tensile

The Indian Government announced on 22nd May an increase in export duties, which is severely hampering recycling markets. The government's move included an imposition of 15% export duty on long and flat steel – non-alloy, alloyed and stainless, as well as a sharp increase in exports duty on iron ore exports and concentrate from 30% to 50%. This has hampered sentiments even further as local steel markets in Alang have weakened by about US\$40-50/LT, virtually bringing the price even below the US\$ 600/LT level. Meanwhile, markets in Bangladesh and Pakistan have also felt the tremors as end buyers remain wary of what lies ahead and are refraining from offering for ships unless they are for a very prompt delivery. There are numerous stories of many cash buyers having taken a big hit as they continue to sell expensive ships out of their inventories at tremendous losses.

Despite the massive crash in prices that has been witnessed, on a positive note there is hope that markets should begin to settle in the next couple of weeks. Also, the lack of tonnage may be a big factor to help it recover and draw some interest and demand back. However, at the moment the situation is still quite unstable. Once again it was a week with no sales and, no doubt, a fair few renegotiations going on, which sums up the past couple of weeks of the ship scrap markets.

## Gibson Sale & Purchase Market Report

### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
STELLA FLORA	177,000	2012	Jiangnan Changxing (CHN)	Safe Bulklers	31.75	Dely basis SS psd 8/22. BWTS fitted.
FORMOSABULK CLEMENT	170,108	2001	I H I (JPN)	Undisclosed buyer	13.8	SS psd 10/21. BWTS fitted.
COVENTRY	82,464	2011	Oshima Zosen (JPN)	Undisclosed buyer	26	SS psd 7/21. BWTS fitted.
MAJULAH HARBOURFRONT	81,922	2014	Tsuneishi Zhoushan (CHN)	Greek buyer	31.65	DD due 10/22. BWTS fitted.
CAPRICORN MOON	81,828	2015	Tsuneishi Cebu (PHI)	Undisclosed buyer	reg 34	DD due 4/23. BWTS fitted.



RIO TAMARA	75,610	2014	Taizhou Kouan (CHN)	Oldendorff	24.5	Ice 1C. DD due 7/22. BWTS fitted.
ROSCO BANYAN	74,967	2010	Sasebo (JPN)	Greek buyer	24	DD due 7/23. BWTS fitted.
YANGZHOU CONFIDENCE	63,165	2017	Yangzhou Dayang (CHN)	Greek buyer	31.25	SS due 5/22. BWTS fitted.
RU CHENG SHAN	56,439	2013	Zhejiang Zhenghe (CHN)	Undisclosed buyer	17.87*	*Auction sale. SS due 7/23.
XIN XIANG HAI	56,111	2012	Mitsui (JPN)	Greek buyer	23.5	SS due 7/22.
OSIOS DAVID	55,831	2012	I H I (JPN)	Undisclosed buyer	23.1	DD due 12/23. BWTS fitted. On subs.
STILIANOS K	55,625	2010	Mitsui (JPN)	Undisclosed buyer	21.5	SS psd 5/21. Sold 3/22. Already renamed.
NICOLAOSA	53,806	2003	New Century (CHN)	Turkish buyer	14.35	SS+BWTS due 3/23.
EVANS + CRESTONE	53,507	both 2009	Zhejiang (CHN)	Undisclosed buyer	16.2 each	DD psd 2/22 + due 11/22. BWTS fitted.
FORTUNE LORD	45,600	1997	Tsuneishi (JPN)	Undisclosed buyer	xs 7	SS+BWTS due 9/22.
MOLESON	34,266	2010	Shin An (KRS)	Undisclosed buyer	17.5	DD due 11/23. BWTS fitted.
CAPE MORETON	32,875	2010	Jiangmen Nanyang (CHN)	Chinese buyer	low 15	DD due 5/23. Logs + BWTS fitted. Sold 4/22.
CASSIOPEIA STAR	32,328	2005	Naikai Setoda (JPN)	Undisclosed buyer	low 13	Logs fitted. DD due 3/23. BWTS due 9/22.
CETUS STAR	32,328	2004	Oshima Zosen (JPN)	Undisclosed buyer	low 12	Logs fitted. DD psd 3/22. BWTS due 8/22.
LION	27,868	1996	Naikai Setoda (JPN)	Undisclosed buyer	reg 8	Open hatch. Logs + BWTS fitted. SS psd 11/21.
SENSEI	21,955	1994	Saiki (JPN)	Syrian buyer	6	Passing DD 5/22. BWTS due 8/24.
<b>TANKERS</b>						
NEPTUN + NUCLEJS	307,284	both 2007	Dalian No. 2 (CHN)	Asian buyer	30.8 each	SS due 7+10/22.
RUMFORD	107,505	2012	Tsuneishi (JPN)	Greek buyer	32.7	SS psd 4/22. BWTS fitted.
MITERA MARIGO	105,495	2007	Sumitomo (JPN)	Singaporean buyer	24.95	SS psd 1/22. BWTS fitted.
BW LENA + BW ORINOCO	76,000	both 2007	Dalian No. 2 (CHN)	Chemikalien (CST)	11.8 each	SS due 8+11/22.
ELEKTRA	52,423	2012	Guangzhou (CHN)	Undisclosed buyer	18	Pump-room. Deepwell. SS+BWTS due 9/22.
ST JACOBI	50,210	2014	SPP Sacheon (KRS)	Undisclosed buyer	24.5	Deepwell. DD psd 12/21. BWTS fitted.
PACIFIC DIAMOND	47,917	2010	Iwagi (JPN)	Undisclosed buyer	18	Pump-room. DD due 12/23.
MISS CLAUDIA	40,158	2006	Shina (KRS)	Undisclosed buyer	11.5	Deepwell. Ice 1B. Trading dirty. SS psd 5/21.
BALTIC COMMANDER I	37,418	2000	Hyundai Mipo (KRS)	Turkish buyer	5.8	Deepwell. Ice 1B. DD due 7/23.
BIANCA AMORETTI	29,524	2003	Chengxi (CHN)	Undisclosed buyer	reg 6	Epoxy. 4 grades. SS due 8/23.
<b>CONTAINERS / RO-RO / REEFER / PCC</b>						
MAERSK NIAGARA + 'NIAMEY + 'NIJMEGEN	33,435	2008+2009+2009	Hyundai Ulsan (KRS)	European buyer	150 en bloc	2556 TEU. Geared. Ice 1A.
HANSA COBURG	23,452	2007	Guangzhou Wenchong (CHN)	CMA CGM	30	1740 TEU. Geared. SS psd 4/22.
A DAISEN	23,338	2010	Guangzhou Wenchong (CHN)	Transfar Shipping	32	1740 TEU. Geared. DD due 9/23. BWTS fitted. Dely 12/22.
H MERCURY + WAN HAI 177	22,000	both 2022	Yangzi Xinfu (CHN)	Transfar Shipping	43 each	1800 TEU. Gearless.
<b>GAS (LNG / LPG / LAG / CO2)</b>						

MARIGOLA	17,750	1999	Sestri (ITL)	Undisclosed buyer	low 8	17,559 cbm. Semi-ref. DD due 9/22. BWTS fitted.
BETAGAS	4,663	1997	Appledore (GBI)	Indonesian buyer	3.1	5,699 cbm. Semi-ref. Ice 1B. SS due 8/22.

#### NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>BULKERS</b>						
Chellaram Shipping	Ultramax	64,000 dwt x 2	Yamic (CHN)	2024	reg 35	Tier 3. EEDI 3.
<b>GENERAL CARO / MULTI-PURPOSE</b>						
United Heavy Lift	MPP	14,000 dwt x 2	Hudong Zhonghua (CHN)	2023-2024		1,011 TEU
<b>CONTAINERS / RO-RO / REEFER / PLC</b>						
RCL	Containers hip	7,000 TEU x 2	SWS (CHN)	2025	xs 85	Tier3. EEDI 3.
CA Shipping	Containers hip	1,100 TEU x 4	CSSC Wuchang (CHN)	2024	23	
<b>GAS (LNG / LPG / LAG / CO2)</b>						
ADNOCL&S	LNG	175,000 cbm x 4	Jiangnan (CHN)	2025-2026		GTT Mk3 Flex.
Kumiai Navigation	LPG/LAG	86,700 cbm x 2	Kawasaki (JPN)	2025		LOI. Dual fuel.

#### Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
<b>VLCC</b>						
NIKI	2000 / Korea	310,106	40,743	as-is Malaysia		
<b>SUEZMAX</b>						
ODYSSEY	2002 / Korea	164,286	24,700	Pakistan		
<b>BULK CARRIER</b>						
AVIATOR	2007 / Japan	18,500	4,681	India	580	

#### Recycling Prices (US\$/LWT)

	India	Bangladesh	Pakistan	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC Dry	630/640	630/640	620/630	310/320
Cargo/Bulk/Tween/Gen Cargo	620/630	620/630	610/620	300/310

#### Newbuild and Second Hand Benchmark Values (\$ million)

Vessel Type	New Building	5 Year Old Vessel (Built 2017)	10 Year Old Vessel (Built 2012)	Historical Average Values (\$ million)	% Difference Present Vs Historical
<b>Tankers</b>					
VLCC	117	77	52	44.9	15.9%

SUEZMAX	79	52	37.5	32.0	17.2%
AFRAMAX	62	49	32.5	23.6	37.6%
MR	42	33	22.5	17.4	29.5%
<b>Bulkers</b>					
CAPE SIZE	63 <sup>^</sup>	52 eco	36	23.1	55.7%
KAMSARMAX	37 <sup>^</sup>	38	28.5	14.3	99.9%
ULTRAMAX/ SUPRAMAX	35 <sup>^</sup>	34.5	23	13.7	67.9%
HANDYSIZE	30.5 <sup>^</sup>	28.5	20	11.0	82.6%
				~ = Basis standard contemporaneous DWT/spec for each type.	
<sup>^</sup> = Chinese price (otherwise based upon Japanese / Korean country of build) <sup>~</sup> = Basis standard contemporaneous DWT/spec for each type.					

## CJC Market News



Campbell Johnston Clark (CJC) is a medium-sized international law firm advising on all aspects of the shipping sector, from ship finance to dry shipping and comprehensive casualty handling, and all that happens in between. Today, we have offices in London, Newcastle, Singapore and Miami.

### Posidonia becomes the first sustainable maritime exhibition



Posidonia Exhibitions SA, the leading trade fair organiser in Greece, and Bureau Veritas (BV), a world leader in testing, inspection, and certification, have collaborated for Posidonia 2022, the International Shipping Exhibition, to be certified as Greece's first sustainable event. With Bureau Veritas' support, Posidonia 2022 has become the first maritime exhibition to receive the ISO 20121 certification, attesting the industry's commitment to organising sustainable events.

Theodore Vokos, Managing Director of Posidonia Exhibitions S.A, the organisers of Posidonia Exhibition and Posidonia Sea Tourism Forum, said: "We are delighted to have received this certification as it's a testimony to the sustainability credentials of our signature event. The thorough auditing process we underwent under the guidance of Bureau Veritas made us delve deeper into crucial areas of our operations, helped boost our people's interest in sustainability, sharpened the team's focus and attention to detail and armed us with renewed drive and desire to continue our efforts to produce the high quality, internationally acclaimed events Posidonia has become synonymous to."

Paillette Palaologou, Vice President Marine & Offshore Division South East Europe, Black Sea & Adriatic Zone, Bureau Veritas Group said: "Congratulations to Posidonia team for taking the initiative and achieving this great result. The ISO 20121 certification is a recognition of their efforts to make this

event even more sustainable. The collaboration throughout the process was very effective and we were pleased to be by the side of the Posidonia team to guide them through.”

## **Piraeus Bank v. Antares (“The ZouZou”) [2022] EWHC 1169 (Comm)**

The Commercial Court recently handed down a judgment in *Piraeus Bank v. Antares Underwriting Limited (“The ZouZou”) [2022] EWHC 1169 (Comm)*, rejecting the claim brought by Piraeus Bank for US\$71 million.

### *Facts*

The claim arose following the detention of the 51,000-dwt ZOUZOU (built 2010) in Venezuela on 22<sup>nd</sup> August 2015. The crew were alleged to have been smuggling diesel oil and the vessel was subsequently detained for circa 14 months before being released.

Piraeus Bank A.E. (the **Claimant**) was the mortgagee of the ZOUZOU and initially argued for a CTL under the war risks cover. The Hellenic Mutual War Risks Association (**HMWRA**) had insured the vessel against war risks and the war risk policy included a provision that if the vessel was detained for over 12 months, the owners would be deemed to have been deprived of possession without any likelihood of recovery. However, the court ruled that the detention of the ZOUZOU did not give rise to an insured loss under the war risks policy with HMWRA on the grounds of material non-disclosure by the owners (unrelated to the detention).

Following failure of the claim under the war risks policy, the Claimant sought to recover from Antares Underwriting and Skuld (the Defendants) under the mortgagees’ interest insurance (**MII**). The Claimant’s argument was essentially that the MII wording provides cover for any loss or damage caused by the owners or their servants or agents if there is subsequent non-payment by the owners’ insurers.

### *The Decision*

The Defendants argued that there was no MII cover because irrespective of the avoidance, the loss would not have been covered by the war risks policy. The war risks policy contained exclusions for any loss “*arising out of action taken by any state or public or local authority ...under the criminal law of any state ... or on the grounds of any alleged contravention of the laws of any state*”.

The Claimant argued that these exclusions did not apply because the Venezuelan prosecutor had been under a duty to release of the ZOUZOU once it became apparent that detention was no longer necessary for the criminal investigation. It was argued that the prosecutor’s failure to release the vessel rendered the prolonged detention unconstitutional. However, Mr Justice Calver held (following the Court of Appeal’s decision in *The Anita [1971] 1 Lloyd’s Rep 487*) that a bona fide error of Venezuelan law on the part of the public prosecutor would not take the detention outside the scope of the exclusions unless the error was perverse or politically motivated.

The Claimant also attempted to rely on the wording in the MII policy, which provided cover for loss or damage:

*“Which occurs by virtue of any alleged deliberate, negligent or accidental act or omission or any knowledge or privity of any of the [the owners or their servants or agents] including the deliberate or negligent casting away or damaging of the vessel or the vessel being unseaworthy or inadequately equipped, manned or certified (including but not limited to the requirements set out in Conventions and or by Class Societies)”.*

The Claimant argued that this clause was applicable because the vessel had been detained either by an intentional act on the part of the crew attempting to smuggle the fuel, or by their accidental or negligent conduct in allowing oil to be loaded in a way that gave the impression that they were attempting to smuggle. The Judge also rejected that argument. It was held that the insuring clause required an "alleged" act or omission - this meant an allegation made by the owners' insurers. The purpose of the clause was to indemnify the bank should the owners' insurers decline cover based on their allegation that the loss of or damage to the vessel had been caused by the owners or their servants or agents.

The decision in this case fundamentally provides clarity in respect of the proper construction and scope of indemnity cover of MII policies.

### Port of Virginia to be 100% Electric



The US Port of Virginia has reached an agreement to service of all its electrical needs from clean energy sources by 2024.

The port a reached a power-purchase deal negotiated with Dominion Energy and the Virginia Department of Energy. Through this deal, the port will receive up to 10% of the output of new solar power installations. Coupled with other solar, nuclear and wind sources, the supply will be enough to cover the port's electrical needs.

Chair, president and CEO of Dominion Energy, Robert M. Blue, said: "We look forward to providing carbon-free energy to The Port of Virginia and supporting its efforts to become the first carbon neutral port on the U.S. East Coast by 2040,"

This new agreement means that the port is running almost 10 years ahead of its intended schedule on its green power supply plan. CEO of Virginia Port Authority, Stephan A. Edwards stated: "Almost five years ago, we began to electrify our operation, audit carbon emissions, replace aging equipment with greener machines and make greater use of technology. As a result, more than one-third of the equipment we use on terminal today is electric and our use of technology is driving efficiency. This is a start that we're proud of, but we know we can do better and this announcement is an important step forward."

The Port of Virginia plans to play a supporting role in the installations and operations of new projects, such as this one, in an attempt to reduce emissions.

The Port of Virginia plans to cut emissions by 65% by 2032 and be 100% carbon neutral by 2040. The Paris Climate Agreement has a deadline of 2050.

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