



MARITIME INFORMATION EXCHANGE VESSEL OPERATORS' MEETING (MIEVOM)

DUBAI 25TH APRIL 2019

CAPT DAVID LOCKWOOD, HEIDMAR UK.



Heidmar – Commercial Tanker Deep Sea Pool Operator

1. Who is Heidmar
2. Functions of Heidmar
3. Heidmar Quality – Improving the industry
4. Shipping Market drivers
5. Maritime Security
6. IOR Region
7. WAF Region
8. Libya
9. Importance of Dynamic Risk Assessments

Heidmar Overview

Over 70 Vessels, 25 Owners, 15 Technical Managers :- 1 Outside view!

- Founded in October 1984 as a commercial manager of tankers
 - Heidmar is currently owned by Morgan Stanley (49%), Dryships (49%) and Management (2%)
 - Today, Heidmar has commercial control of approximately 70 tankers employed in Four tanker pools.
 - We have 25 different Pool Partners and work with over 15 different Technical Management Companies
- Heidmar has offices in Norwalk, CT, London and Singapore to ensure world wide coverage
- 75% of the chartering and operations staff are graduates of Maritime Academies and have direct sailing experience with several having held Command of vessels
 - Heidmar's strong people-oriented culture puts emphasis on integrity and transparency when serving the interests of all Heidmar stakeholders



GLOBAL QUALITY TEAM

Norwalk, CT

Capt Harold Boyer
(Operations Director)

Capt Steve Huvane
(Marine and Commercial Consultant)

Sue Alderman
(Pool & Projects Co-ordinator)

Svetlana Stoyanova
(Accounting and Vetting Support)

London, UK

Capt David Lockwood
Head of Global Quality

Nikos Vlisidis
Operations Support

Singapore

Capt Ravi Jain
(Regional Operations
Manager &
Seawolf Fleet Manager)

World Wide Coverage for our pool partners and customers

Provides leverage and trading opportunities

Heidmar has dedicated chartering, operations, and marketing in Connecticut, London, and Singapore covering all geographical ranges focused on the Crude Oil, DPP and CPP segments.

Provides:

- Local contacts with Charterers and Brokers
- Access, volume, and flow of information
- Better understanding of the oil environment
- The ability to develop and execute a global strategy for each segment
- Advanced individual expertise in various market segments and interchangeability
- Economies of scale and cost efficiencies throughout the organization and all commercial functions from chartering to bunker purchases, port cost control and agency agreements
- Robust and uniform compliance training, screening, and procedures
- By effective use of voyage triangulation, reduction of Ballast Legs means that environmental impact by the fleet is overall reduced.

Heidmar Pools Today: 75 Tankers operating spot



55-80,000 DWT – Panamax/LR1
Dirty / Clean – Established 1998



80-115,000 DWT – Aframax/LR2
Dirty / Clean – Established 2004



120-200,000 DWT – Suezmax
Dirty – Established 2007



260-350,000 DWT – VLCC
Dirty – Established 2010

The keys to success:

- Performance
- Transparency & Full Disclosure
- Cost control / Economies of Scale
- Worldwide Participation
- Relationships

Worldwide Pool Participation



 **China**
COSCO Dalian

 **India**
Great Eastern Shipping
Mercator Limited

 **Turkey**
Active Shipping

 **Germany**
Conti Reederei
Ernst Jacob
Hansa Shipping
Salamn AG

 **Netherlands**
Reederei Nord

 **USA**
Heidmar Inc.
International Seaways
Ridgebury Tankers

 **Norway**
DSD Shipping

 **Greece**
Atlas Maritime
Chartworld Shipping
Liquimar Tankers
NGM Energy
Phoenix Energy

 **Singapore**
U-Ming Marine
Transport
GC Tankers

 **UK**
Zodiac Maritime

 **Hong Kong**
China Merchants
Nan Fung

Heidmar's Strong Market Share

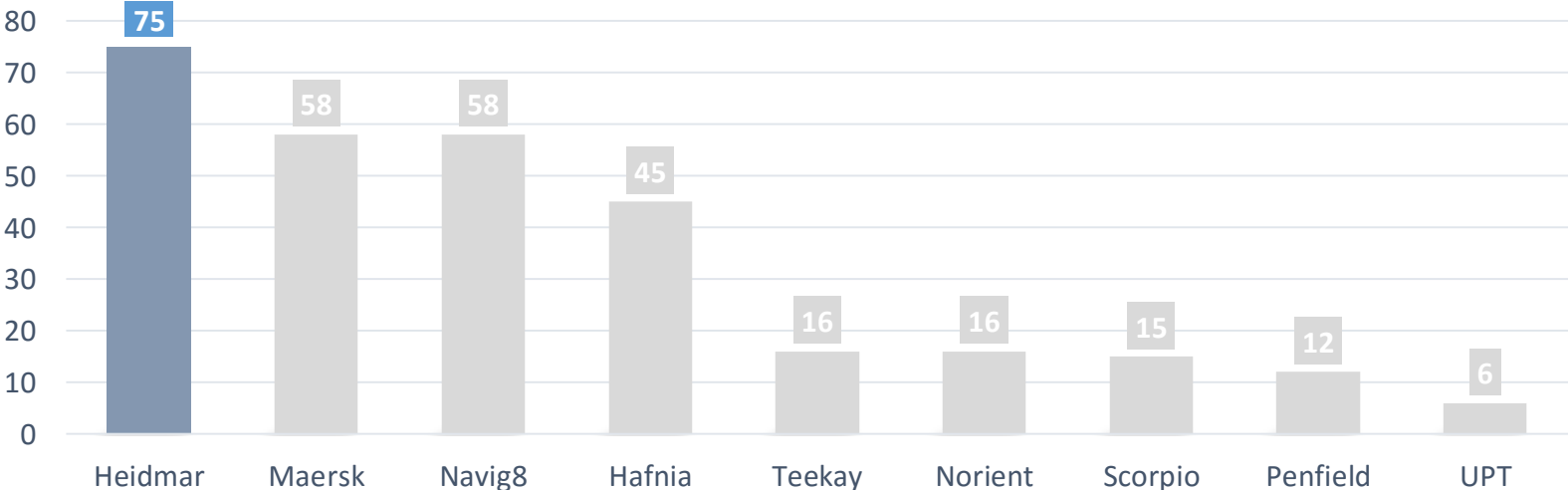


Attractive Position Within Commercial Pool Management

- As the largest 3rd party pool operator (Panamax through VLCC), Heidmar is one of the world's best regarded players in this niche sector
- Heidmar consistently outperforms the market by leveraging economies of scale and access to information, controlling costs, maximizing utilization, securing worldwide participation and relationships and operating under full transparency
- Its pools are consistent market leaders, compared to both public peers and pool competitors
- Heidmar is well-positioned to leverage proven expertise and extensive customer relationships to enter new markets

Largest Third Party Tanker Pool Operator

Vessel Count, as of Sept 2018





About Heidmar Bunker Services (HBS)

HBS is a full service bunker procurement platform that provides ship owners both in and outside the Heidmar pools a sophisticated answer to their bunkering requirements for today, and tomorrow.

Global coverage

Close communication with chartering and operations means bunker planning decisions are intrinsically linked with planning and profit estimations for each voyage.

Post fixture follow-up

Constant dialog with operations to prevent costly delays.

Established credit lines

Advantage of established credit lines industry-wide, stemming directly with suppliers.

Exceptional credit history

Track record of controlling income and maintaining perfect payment performance.

Supplier relationships

HBS maintains good relationships with suppliers, and works closely with them to solve issues / receive support as needed.

Marine Assurance and Quality

75 Ships, 24 Owners, 4 Pools,

1 Outside View

Working Closer to successfully Trade vessels

1. MARINE ASSURANCE AND CLEARANCE

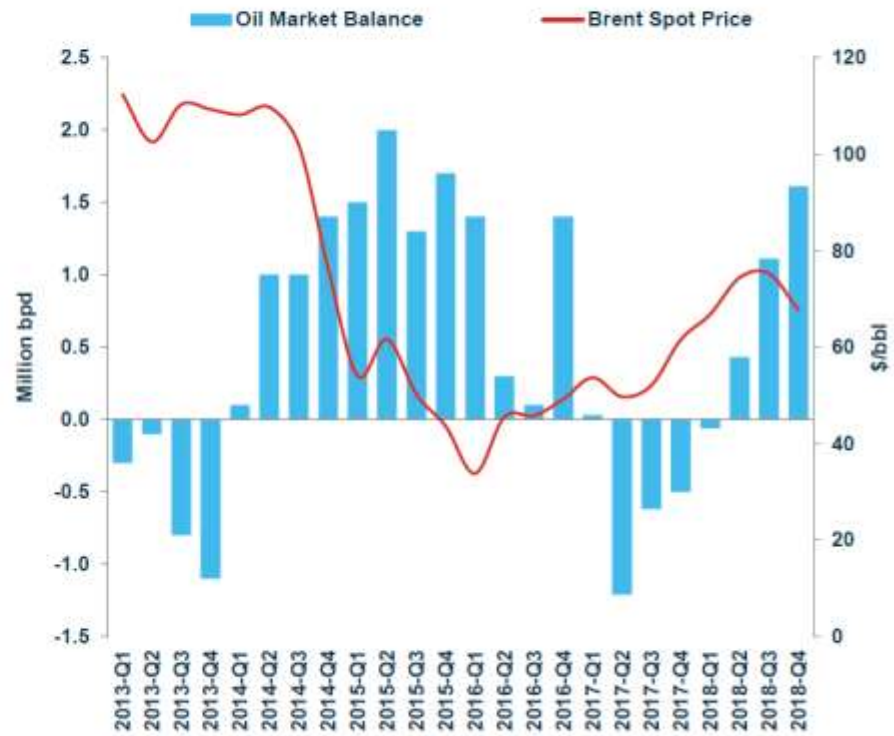
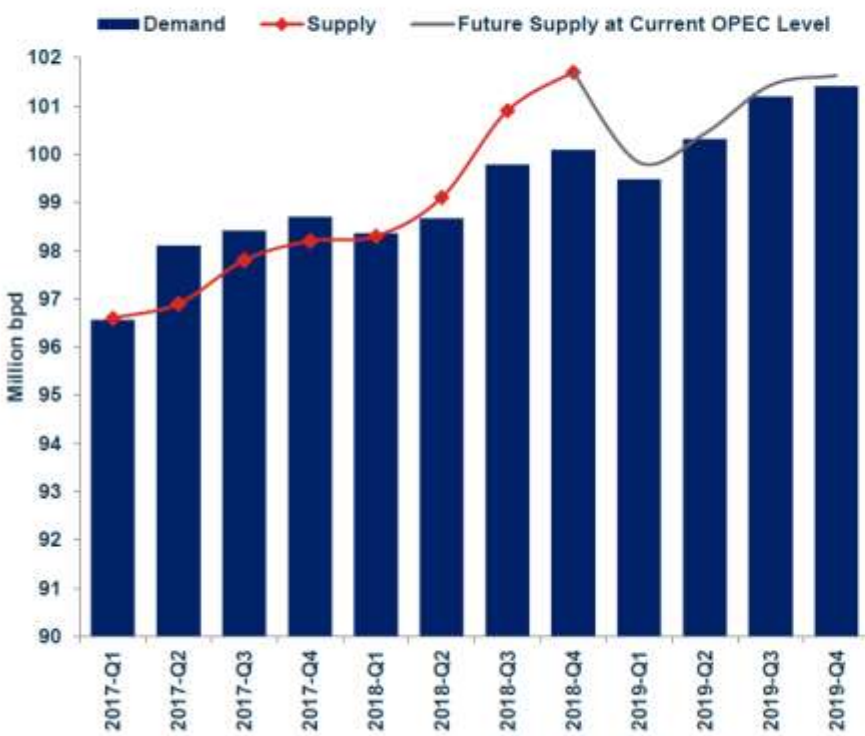
- Knowledge of Oil Company Vetting Criteria and working with owners to maintain acceptance
- Co-ordinate Vetting programs with Owners for best commercial advantage
- SIRE review and analysis of Observations with monthly reports to participants
- Screening Alert System to Resolve Vetting Issues with Oil Majors
- Terminal Satisfaction Sheets & Terminal Vetting Reports
- Maintenance of Incident Database to reduce loss of MOC approvals
- Close relationship with Major Oil Company marine assurance teams worldwide

2. QUALITY PROGRAMS

- Quality Inspection & Port Captain Attendance Program
- Heidmar Marine Forum & Pool Meetings
- Accompany Owners for Oil Major Visits
- Quality Team Members undertake Ship visits when appropriate
- Supply Pool Rep at scene of incident and assistance with incident review where appropriate
- Reviewing potential new vessels before joining pool



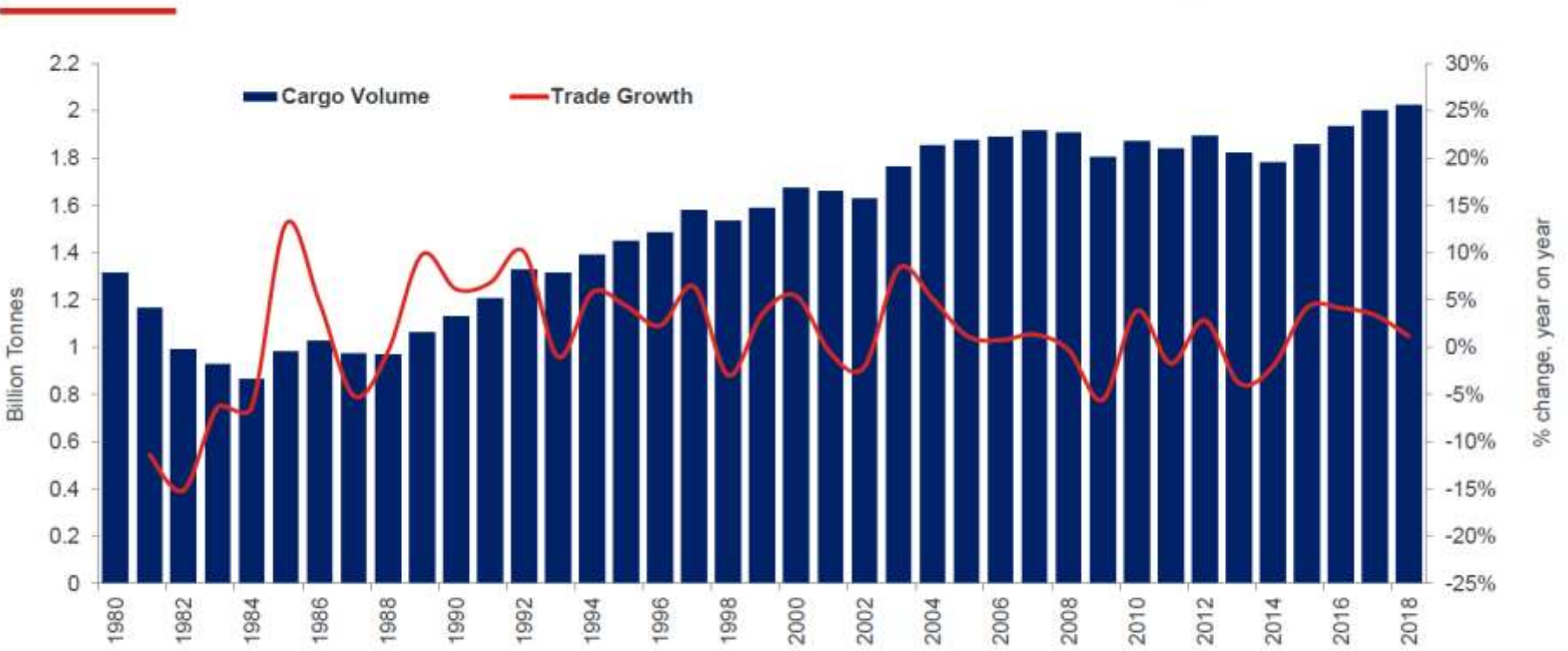
Global Oil Supply / Demand Balances vs. Oil Prices



Data Source: IEA / Clarksons. Future supply based on IEA projections for non-OPEC production, OPEC NGLs and current levels of OPEC crude oil production.



World Seaborne Oil Trade

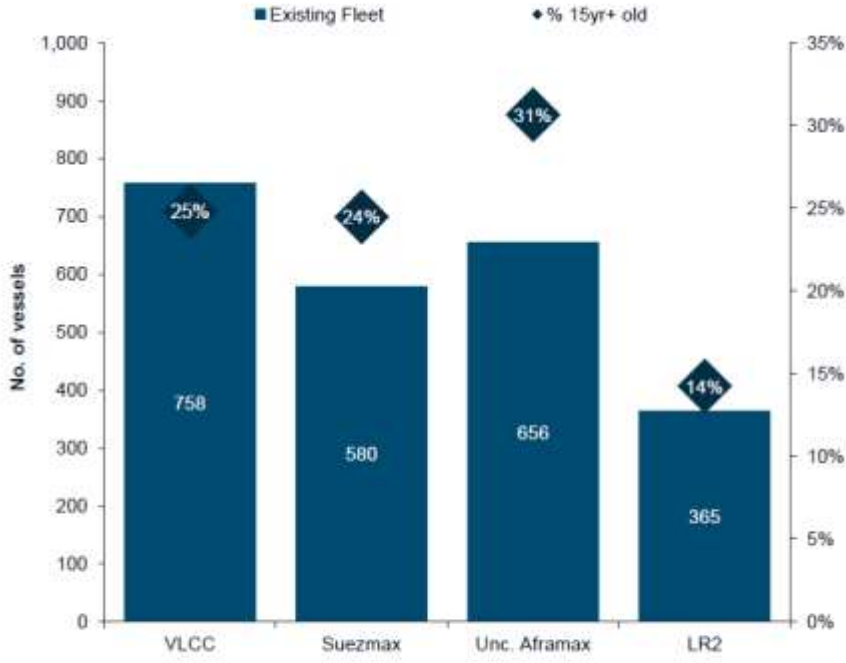


Data Source: Clarksons

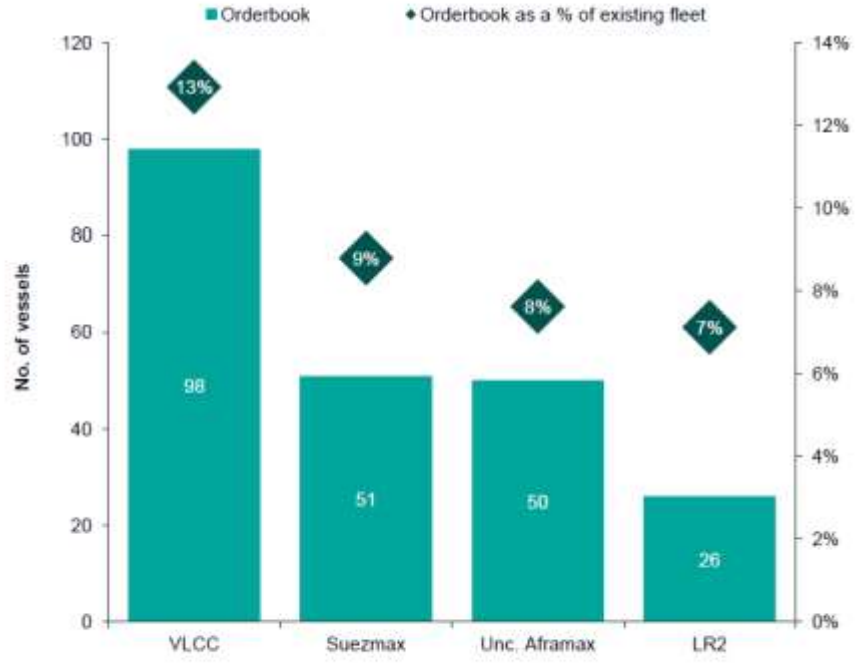


Tanker Existing Fleet & Orderbook

Existing Fleet



Orderbook



Data Source: Clarksons. Updated start of April 2019



MARITIME SECURITY

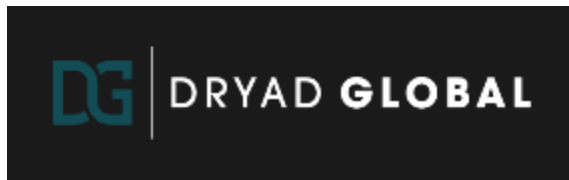
maritimesecurity@Heidmar.co.uk

MARITIME SECURITY : GENERAL

- All High Risk Area Transits (HRA) have a fresh Risk Assessment completed prior voyage to determine overall risk. During the voyage these are monitored and Master updated as required
- Where required by risk level, and after discussion with Charterers and Owners, additional Security Arrangements will be made. Owners are free to make own arrangements beyond these requirements at their expense
- All vessels covered by Pools Kidnap & Ransom (K&R) and Loss of Hire (LoH). Separate declarations for IOR and WAF voyages.
- All PMSC's where employed, passed company due diligence, Owners procedures as well as Charterers (Shell or Exxon) own requirements for specific voyage. Best prices negotiated within that Criteria.



MARINE SECURITY: the Risk Assessment



- Trusted Independent Sources of Data (IMB Piracy Data)
- Local Sources of intel
- UKMTO / MSCHOA / USNOI
- Independent Intelligence Assessment
- Individual Vessel Risk Assessment
- Master Advised and Instructed

Risk Assessment :-Risk Rating



Voyage Risk Assessment



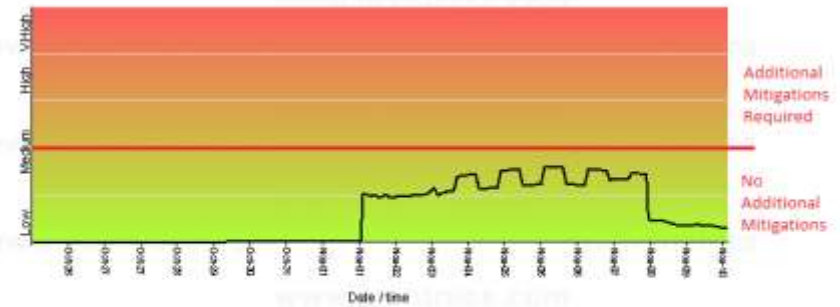
Prepared by David Lockwood of Heidmar

VESSEL:	
NAME: SHANGHAI	TYPE: Tanker
IMO: 9516935	CALL SIGN: 9V2103
MMSI: 563061000	
TRANSIT:	
DEPARTS: 2017-Oct-25 09:56	ARRIVES: 2017-Nov-10 06:51
FROM: 34°47.202'S / 017°13.230'E	TO: 22°38.058'N / 069°43.168'E
TOTAL HOURS: 380	TOTAL DISTANCE: 4762 NM
MAX SPEED: 12.50 knots	MIN SPEED: 12.50 knots
MAX FREEBOARD: 7.00 m	MIN FREEBOARD: 7.00 m
ASSESSMENT:	
HIGHEST RISK ON ROUTE:	MEDIUM
MITIGATIONS APPLIED (in whole or part of route): Practising BMP4 but no team	

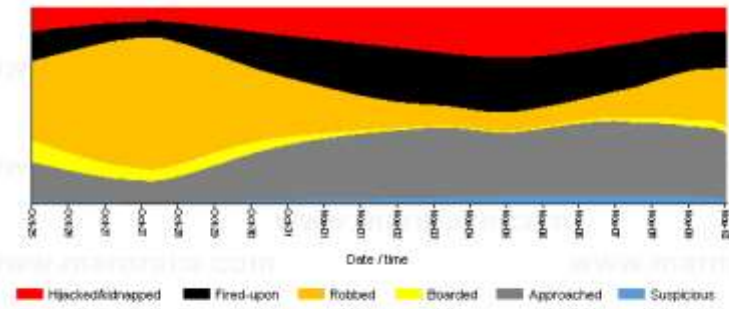
Route



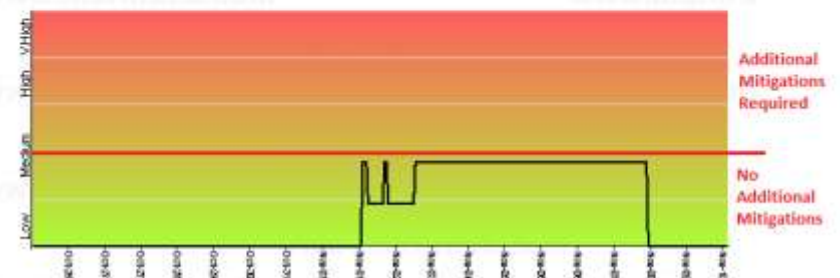
Likelihood of incident occurring



Likely severity if incident occurs



Risk



MARITIME SECURITY 2018 AND BEYOND (IOR)

2018 saw an increase of 18% increase in IOR transits, but less than 5% increase of use of armed guards in the region.

Same period saw a reduction in confirmed MarSec Incidents from 20 in 2017 to 8 in 2018. None so far in 2019.

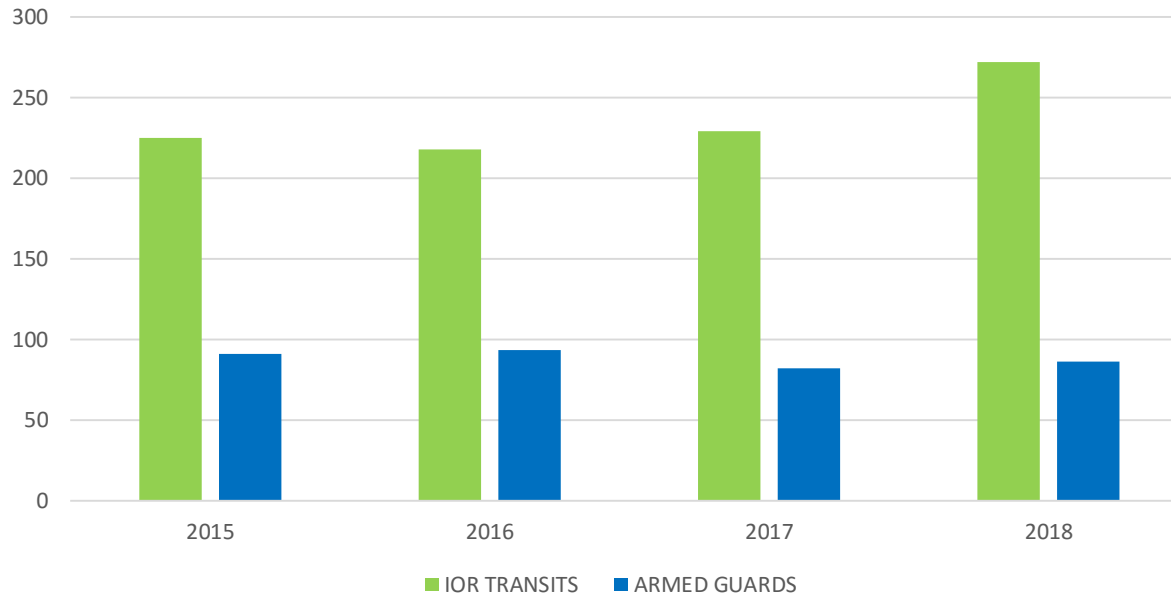
Dryad has no intelligence to suggest Pirate Action Groups are at sea in areas between Galle and Fujairah.

The conflict in Yemen continues to present the highest risk to vessels transiting the Bab al Mandeb. Attacks have been limited to Saudi vessels. The risk of being directly targeted by a Houthi attack is **LOW**, and there is no intelligence to suggest that a threat to wider commercial shipping.

Somali pirates have not been fully active since the first half of 2017. The incidents of Somali piracy that did occur then happened on the northern coast of Puntland, close to the IRTC.

There is no evidence to suggest Pirate Actions Groups are active in the country

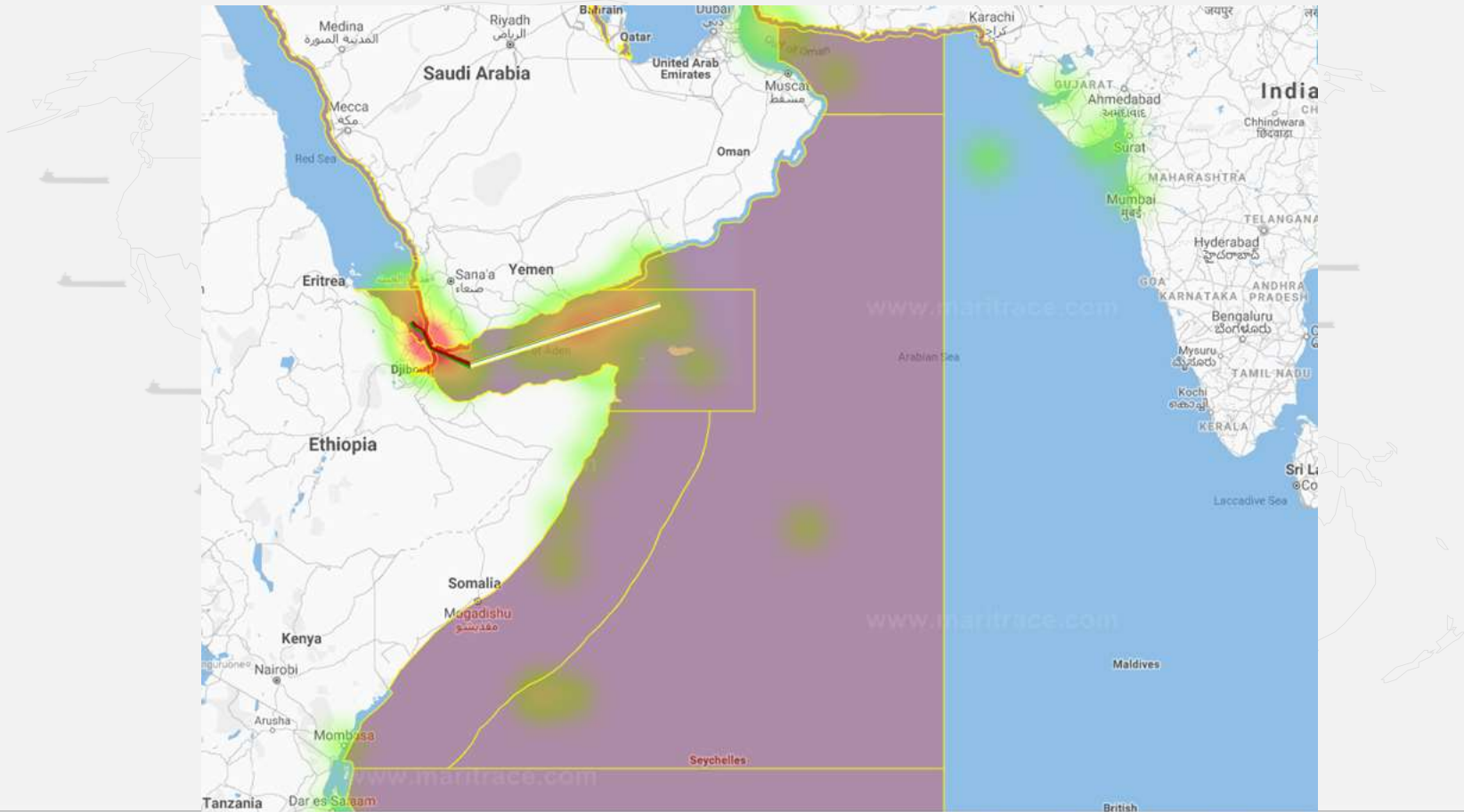
INDIAN OCEAN HRA TRANSITS



	2015	2016	2017	2018
IOR TRANSITS	225	218	229	272
ARMED GUARDS	91	93	82	86

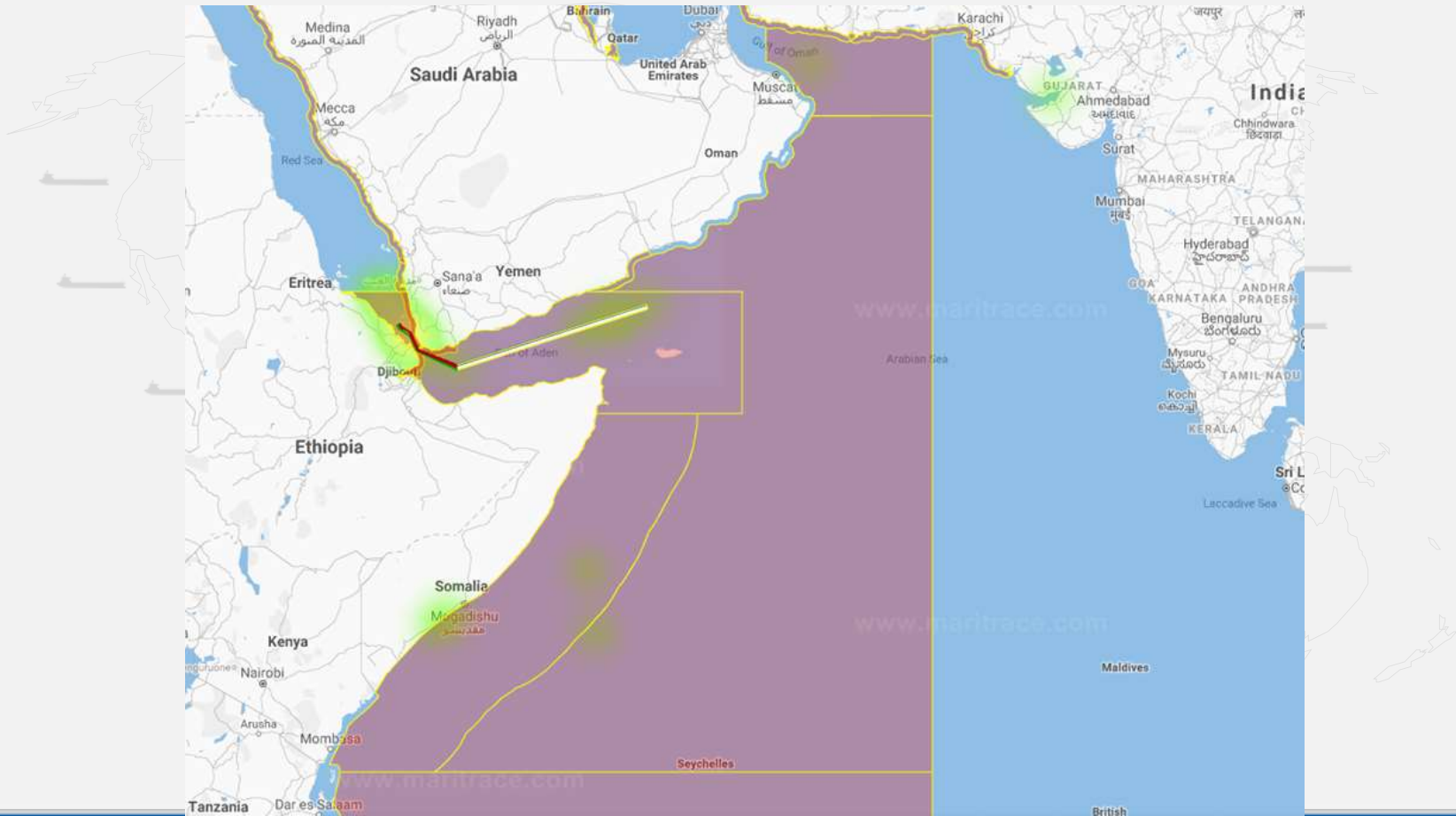


INDIAN OCEAN 1ST JAN – 31ST DEC 2017



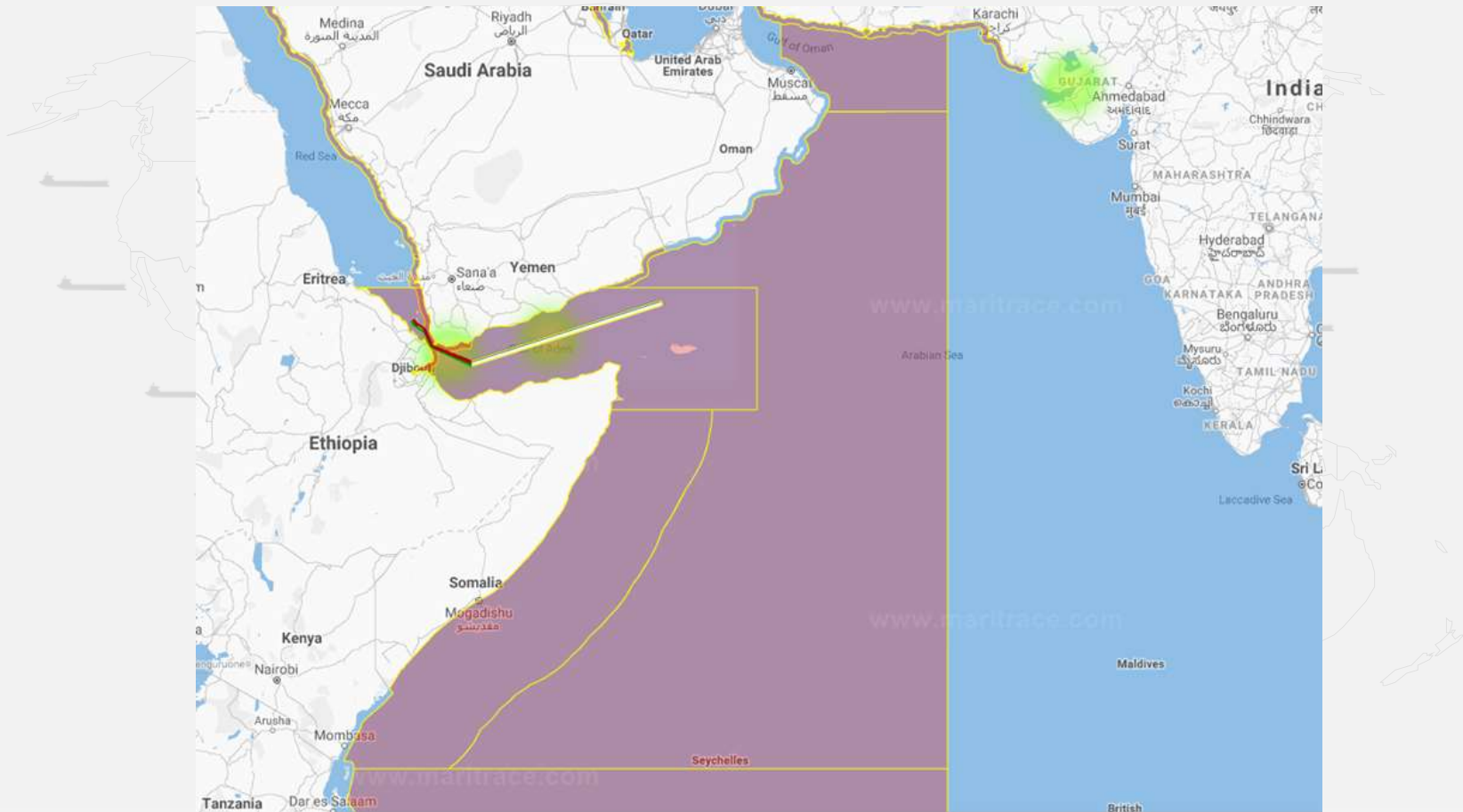


INDIAN OCEAN HRA 1ST JAN – 31ST DEC 2018





INDIAN OCEAN HRA JAN-MAR 2019



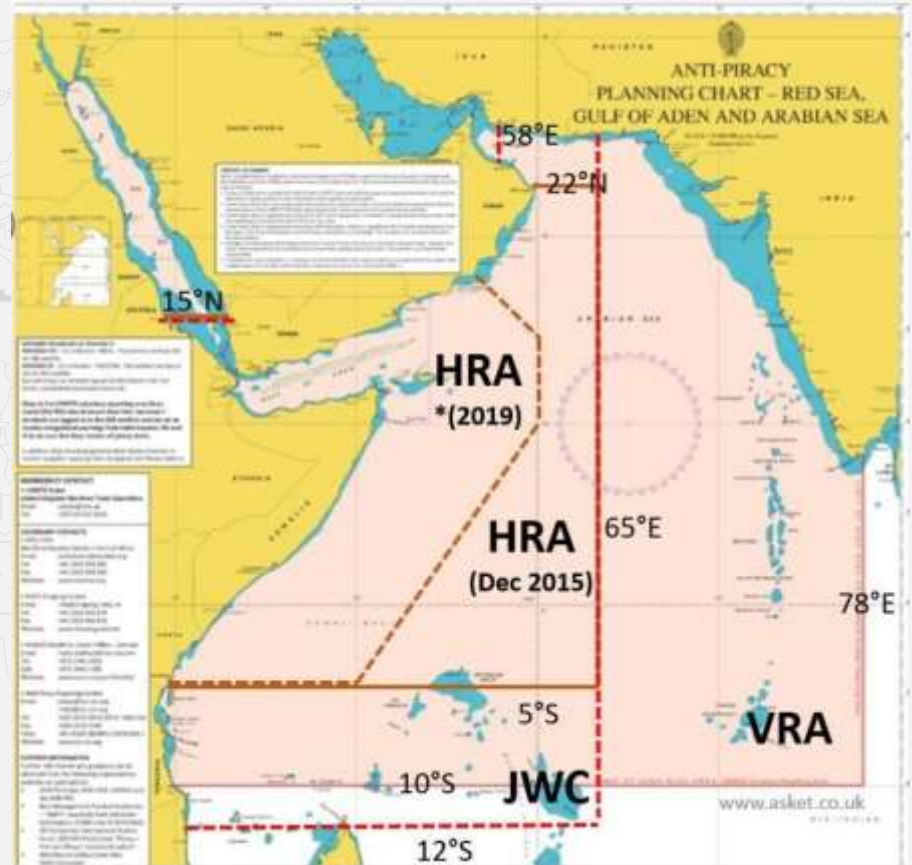


CHANGE TO THE HRA (UKMTO/MSCHOA)

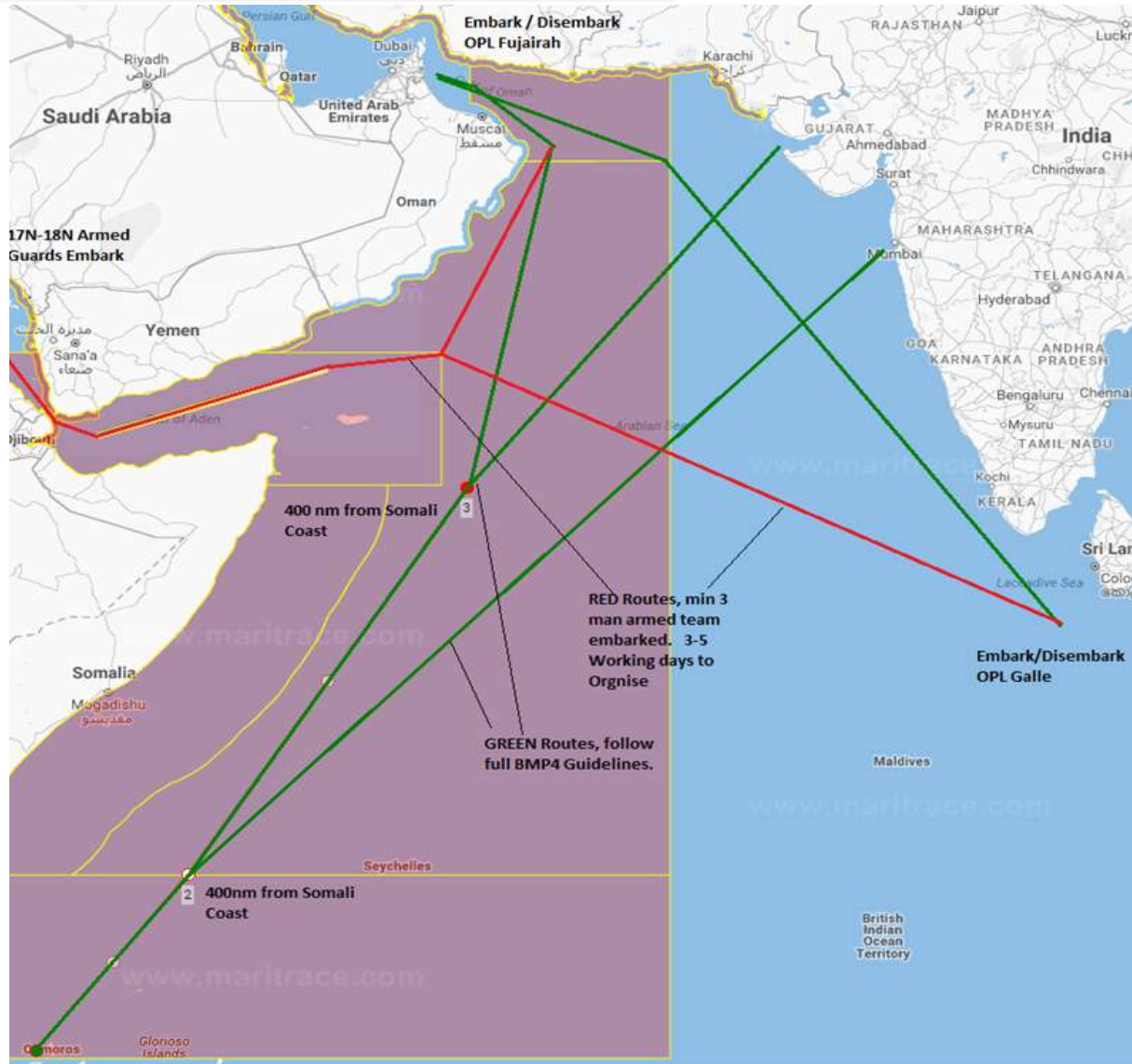
New High Risk Area from 1st May.

Due to reduction in the Security issues in the region, HRA moved closer to the Somalia Coast.

No change to the Voluntary Reporting Area (VRA) or the Joint War Risk Committee (JWC) region for the purposes of AWRP and Insurance.



Heidmar Security





MARITIME SECURITY 2018 AND BEYOND (WAF)

The primary threat in the Gulf of Guinea comes from the operation of Pirate Action Groups (PAG) which attempt to board vessels for ransacking and theft within 90nm of Agbami terminal.

Vessels are targeted as a result of opportunistic targeting, predominantly against 'low' and 'slow' vessels with negligible vessel hardening measures sailing within 90nm of Agbami Terminal. - Vessels to remain outside of this areas and only enter at full speed with full hardening in place.

Petty theft boarding's are also particularly concentrated within the anchorages of major Ports. - Vessels to follow BMP5 hardening and procedures.

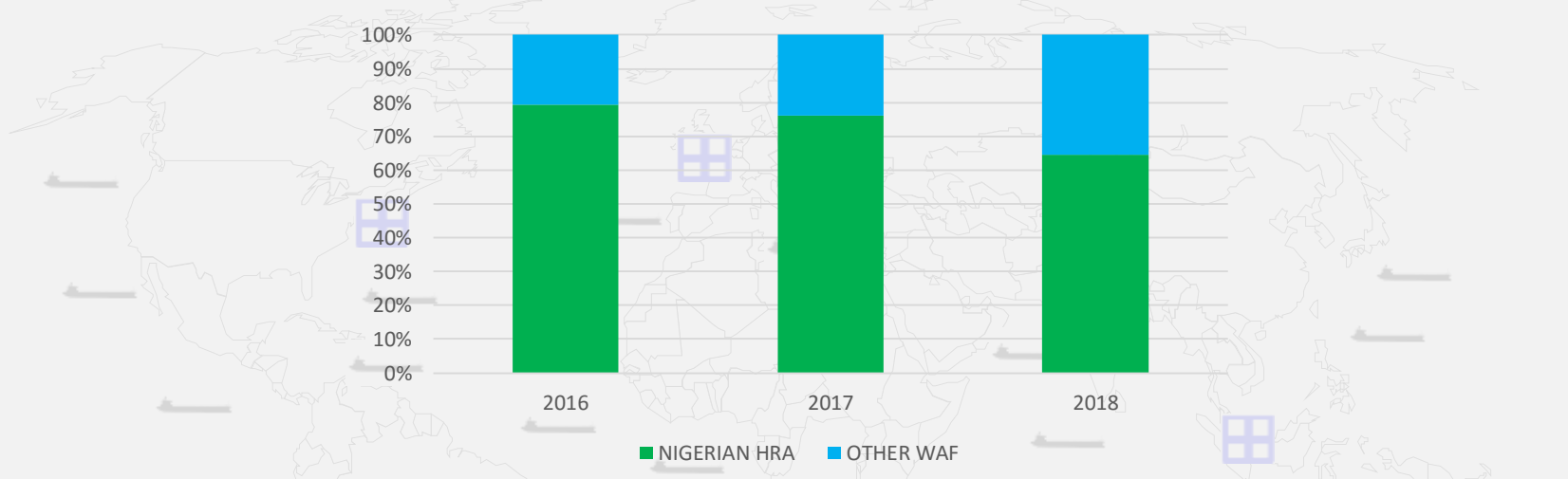
Analysis indicates that fishing vessels / PAG's have become aware of merchant vessels drifting at around 200nm from shore and are specifically targeting these vessels while they are slow and almost exclusively in the hours of darkness. - Whilst Waiting for orders vessels to:

Do not proceed further East than 001 00 West until proceeding to terminal (if inbound from Europe or USG) Do not proceed further North than 01 00 North until proceeding to terminal (if inbound from the South).

After Laycan's commence, vessel will be cleared by terminal and allowed to wait for berthing with Terminal Security Vessel close at hand.



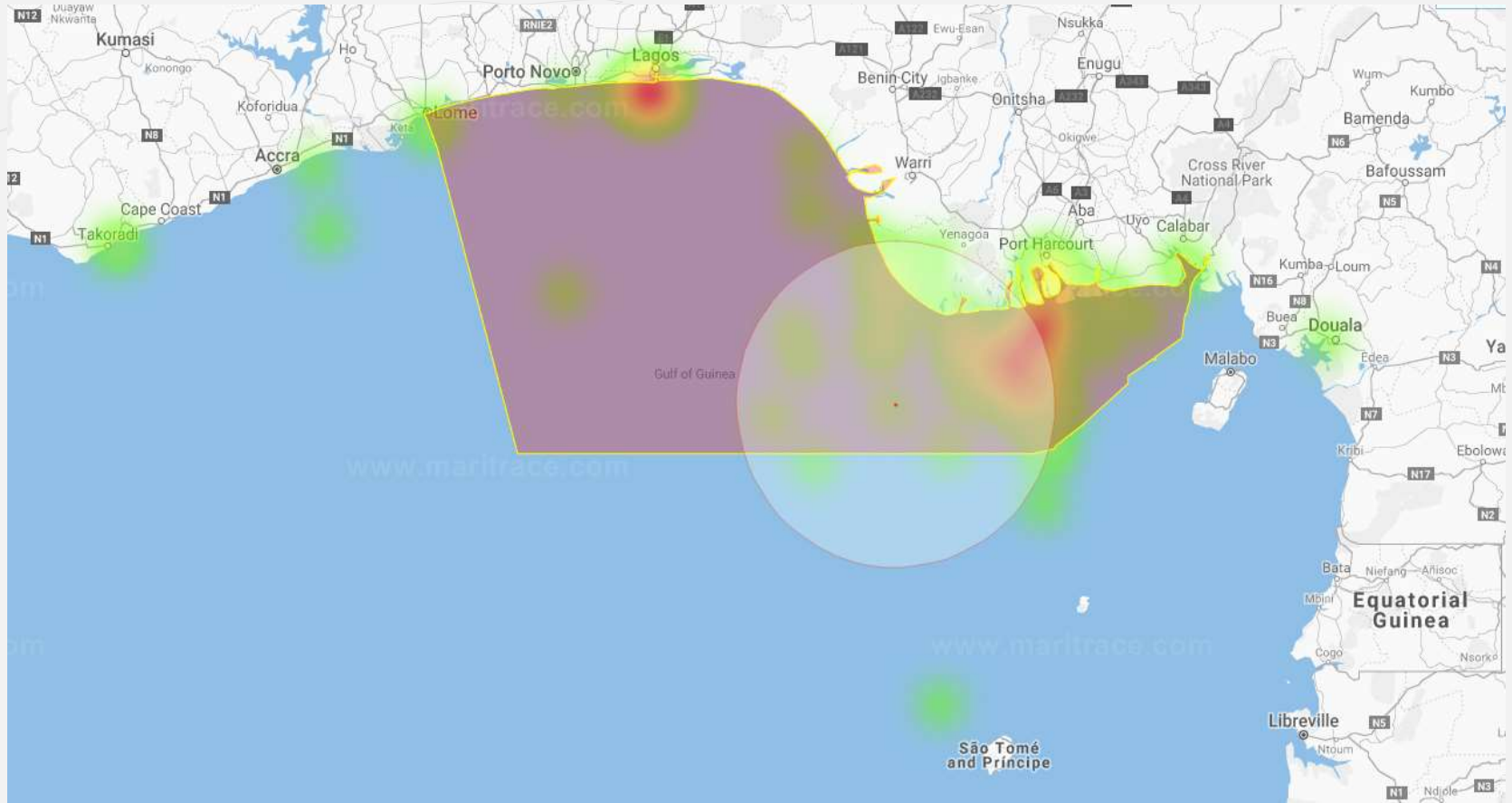
WAF VOYAGES



	2016	2017	2018
NIGERIAN HRA	92	92	58
OTHER WAF	24	29	32
TOTAL	116	121	90
NIGERIAN HRA %	79.31	76.03	64.44
Secuirty Escort Vessels	0	12	6

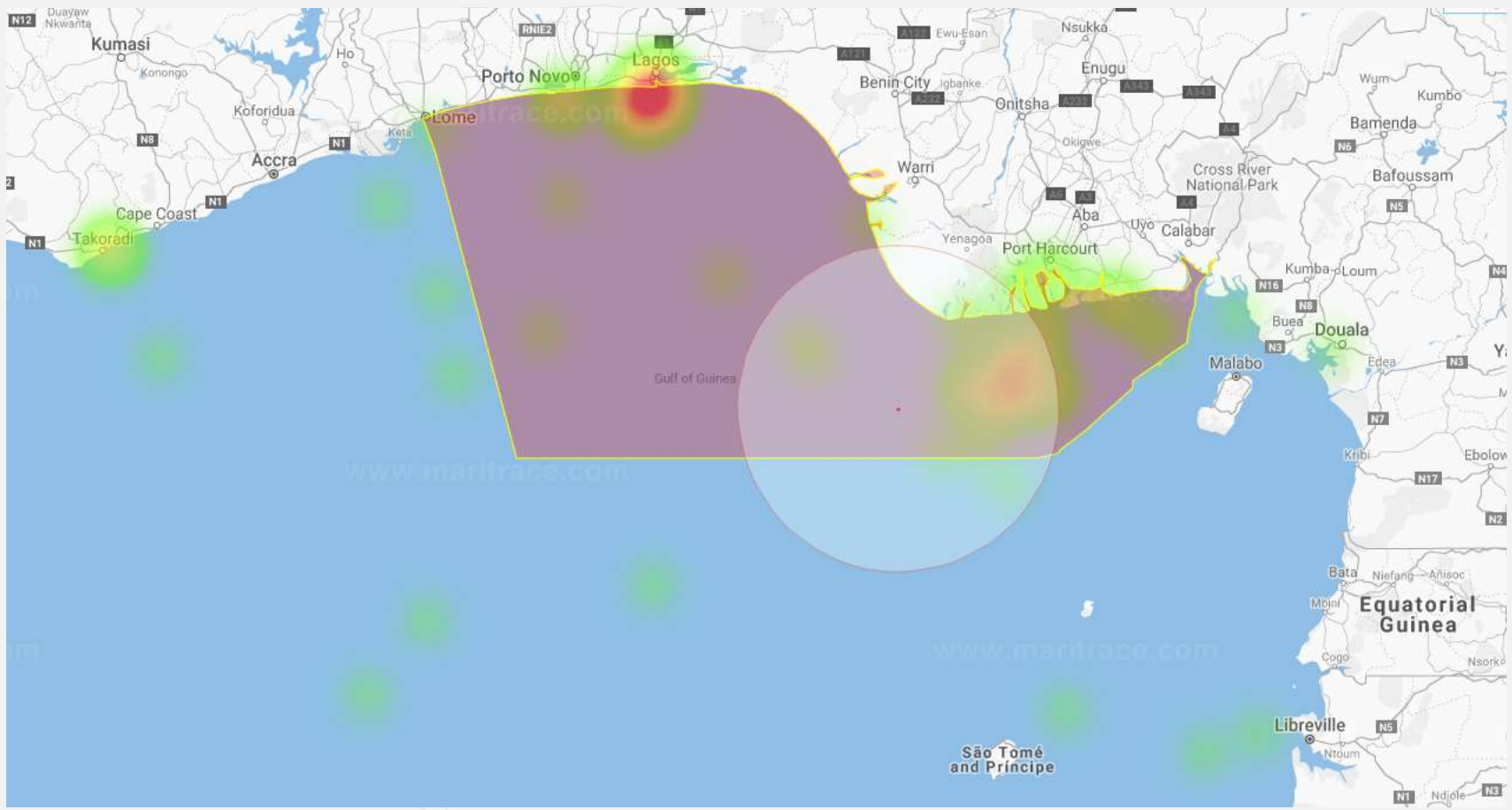


WAF HRA 1ST JAN – 31ST DEC 2017



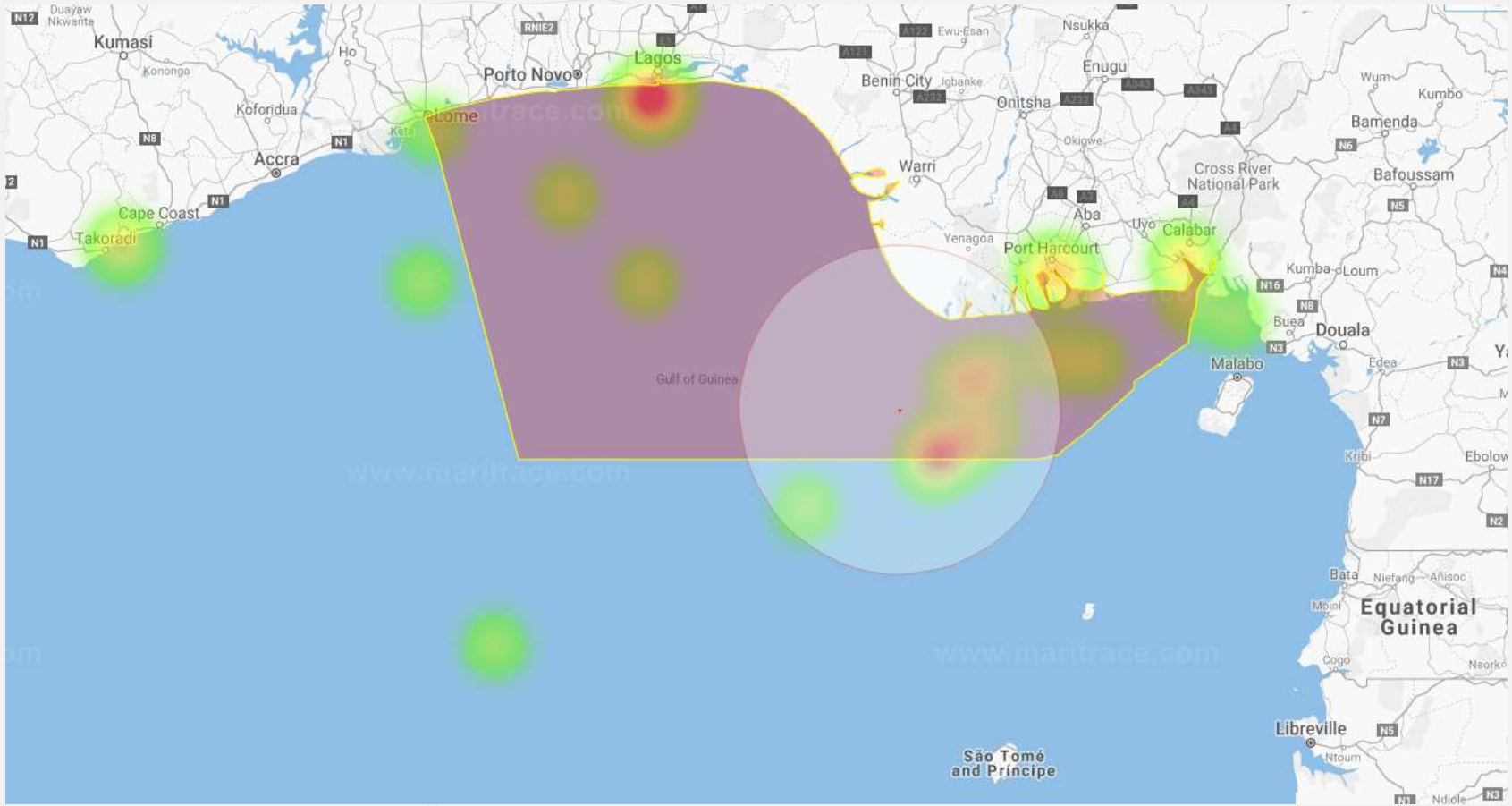


WAF HRA 1ST JAN – 31ST DEC 2018



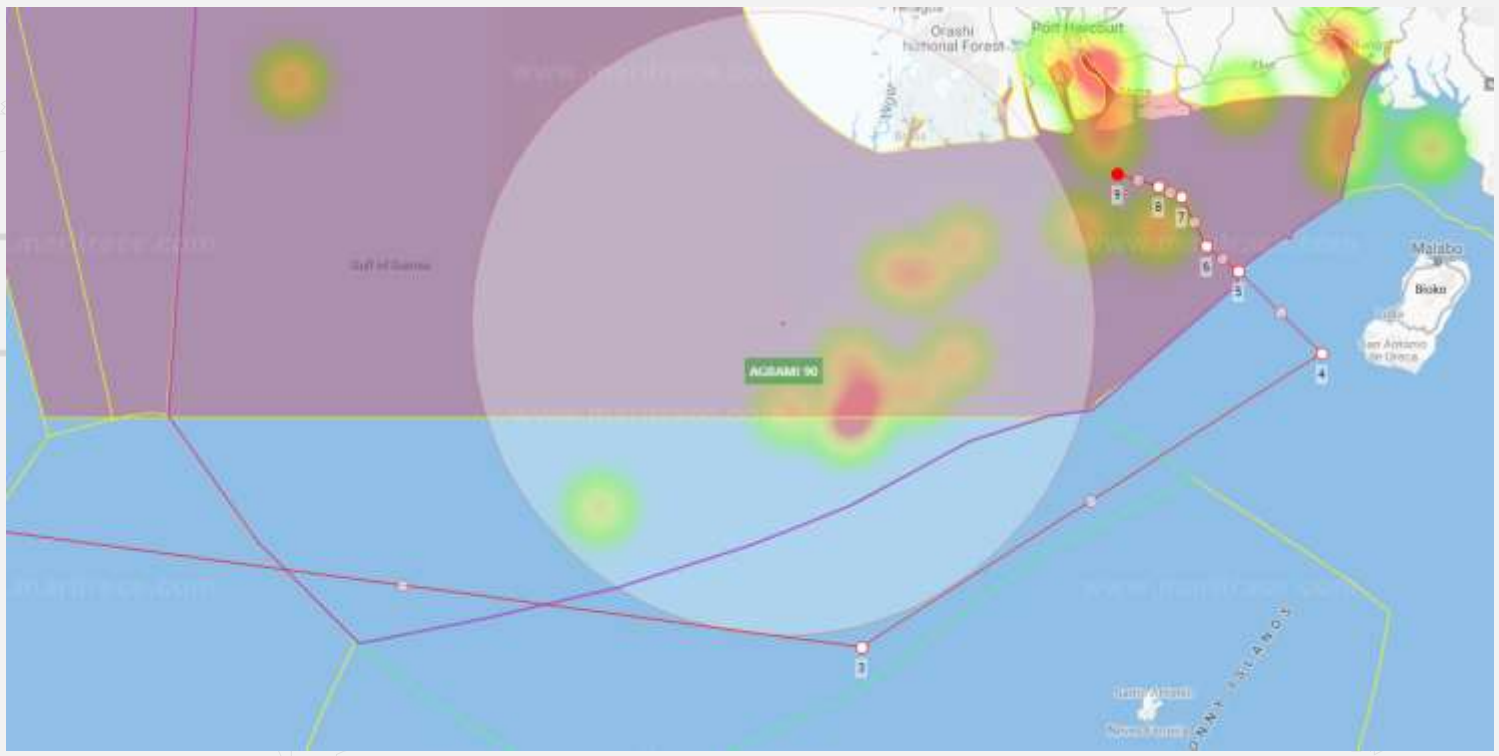


WAF HRA JAN-MAR 2019





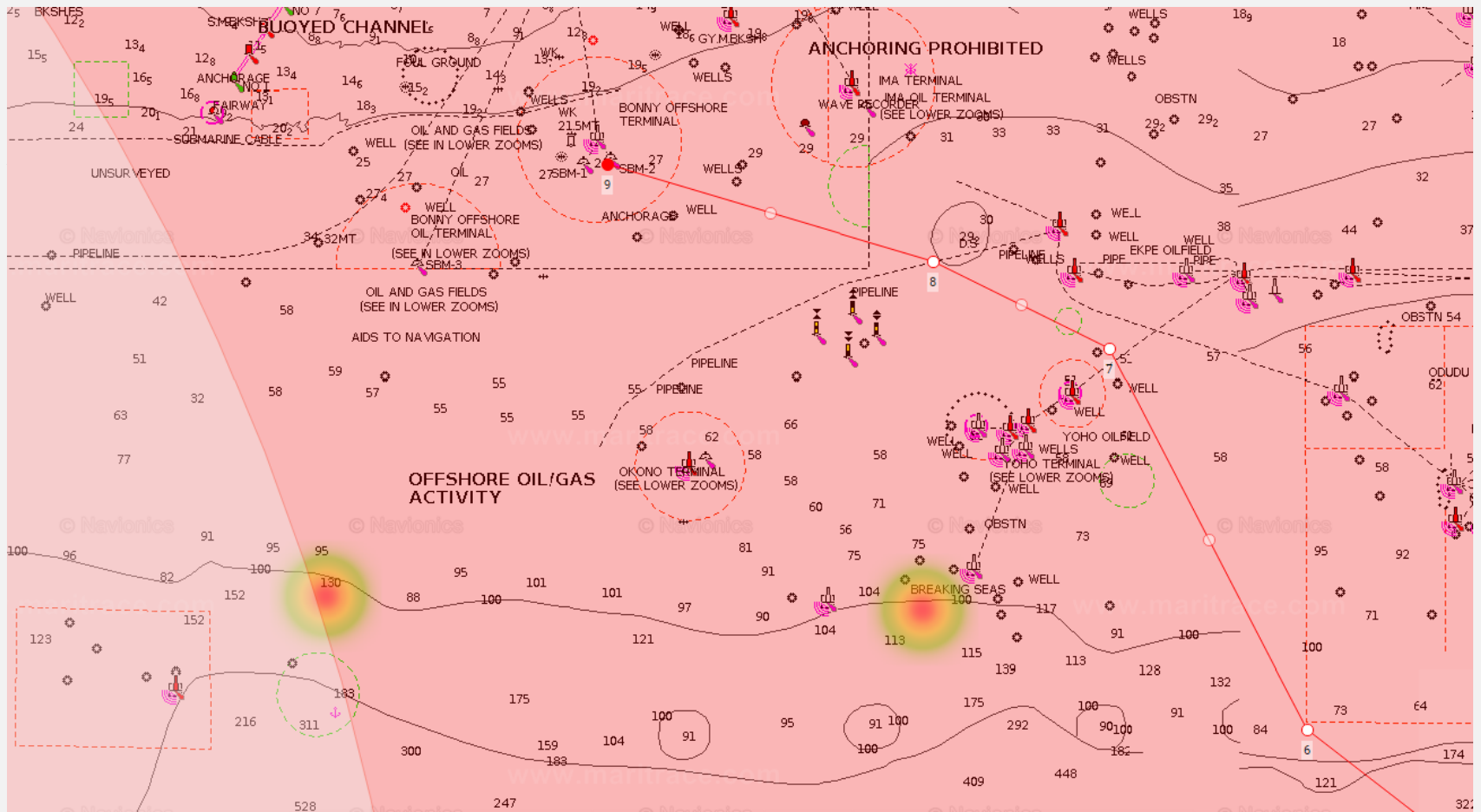
EXAMPLE OF DYNAMIC WAF ROUTING – SOUTH AND EAST OF AGBAMI



- Red Line is the Vessel Routing, avoiding HRA and 90nm South of Agbami, inbound to Bonny
- Purple line is edge of the Nigerian EEZ (Operational edge of the Nigerian Manned SEV
- Green line – edge of the joint Nigerian EEZ. Yellow other nations EEZ



EXAMPLE OF DYNAMIC WAF ROUTING – SOUTH AND EAST OF AGBAMI





EXAMPLE OF DYNAMIC RISK ASSESSMENT – BONNY

Voyage Risk Assessment

Prepared by David Lockwood of Heidmar

MariTrace

VESSEL:	
NAME: MAX JACOB	TYPE: Tanker
IMO: 9182788	CALL SIGN: AQR44
MMSI: 636091872	
TRANSIT:	
DEPARTS: 2019-Mar-29 14:29	ARRIVES: 2019-Apr-03 08:11
FROM: 03°26.953'N / 007°33.320'W	TO: 04°10.236'N / 007°14.477'W
TOTAL HOURS: 123	TOTAL DISTANCE: 1058 NM
MAX SPEED: 14.00 knots	MIN SPEED: 0 knots
MAX FREEBOARD: 14.30 m	MIN FREEBOARD: 14.00 m
ASSESSMENT:	
HIGHEST RISK ON ROUTE:	MEDIUM
MITIGATIONS APPLIED (in whole or part of route):	Escort / Terminal Security Vessel, Practicing BMP5 but no search

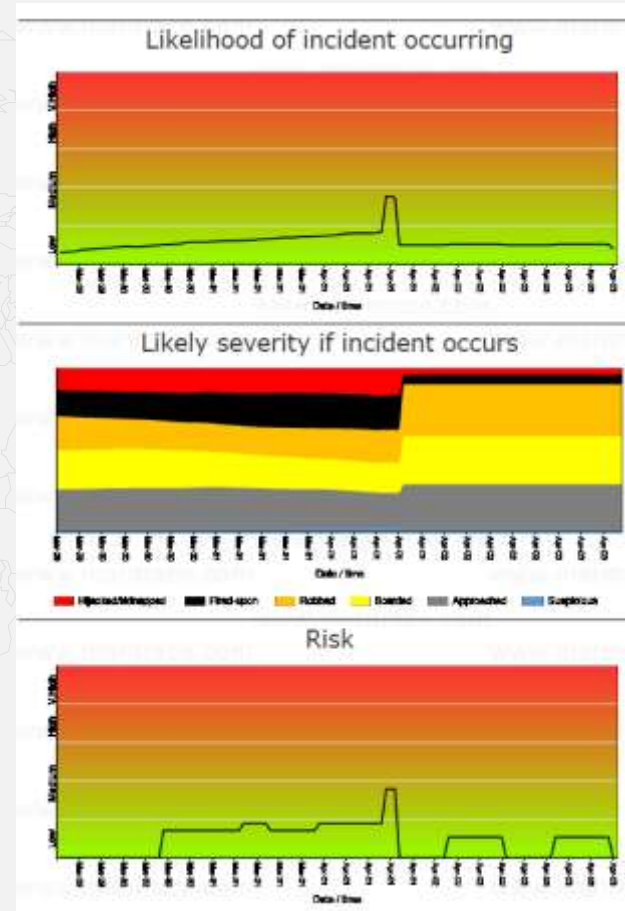
Route

NOT FOR NAVIGATION

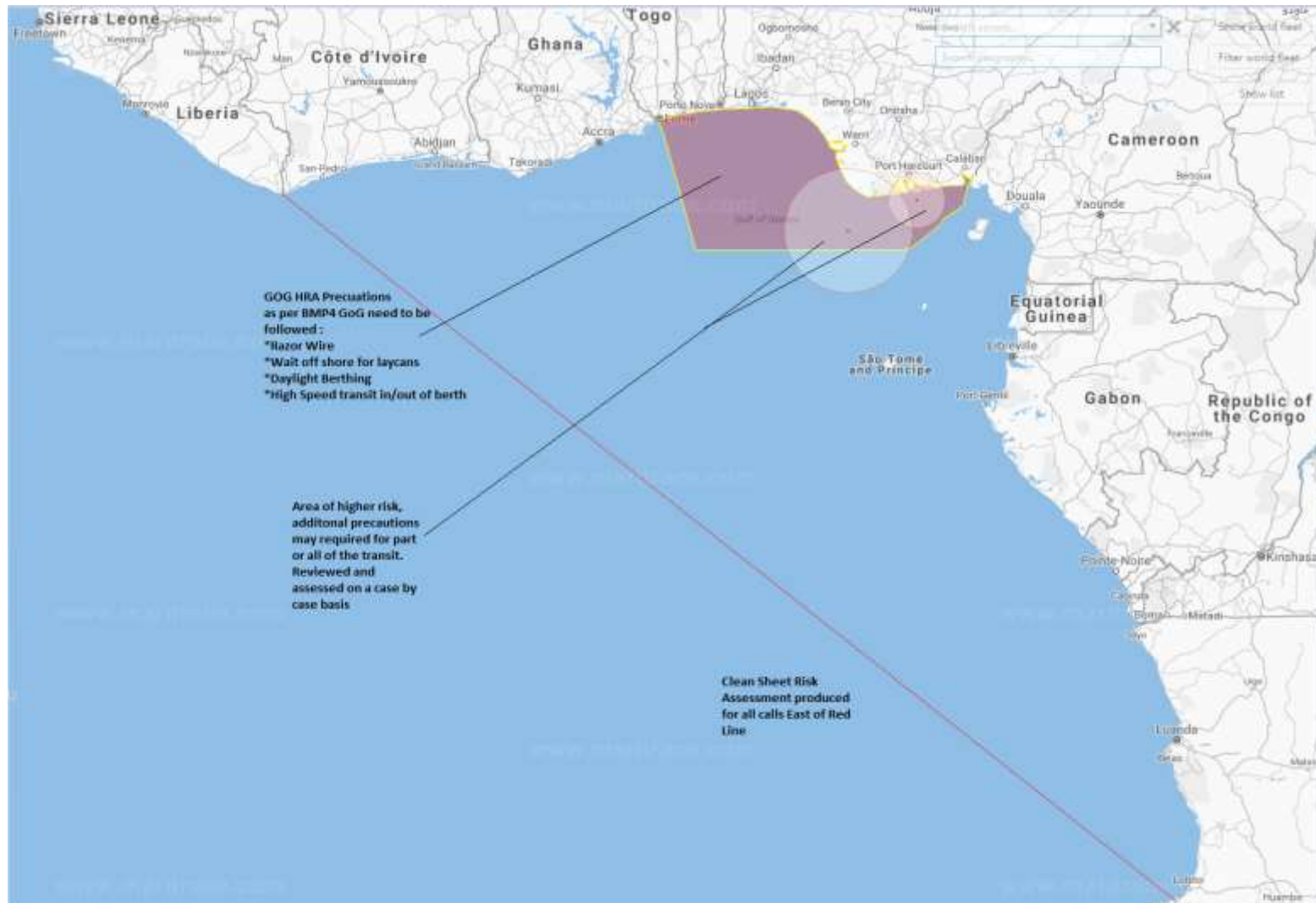
SÃO TOMÉ AND PRÍNCIPE

200 km
100 mi

Purple dots indicate piracy incidents in past year.



Heidmar Security



LIBYA

All open ports operating at ISPS 1.

GENERAL (LIBYA) RECOMMENDATIONS

Government authorisation to enter Libyan waters is to be granted before transit to port is finalised. Port Agents will provide this prior to arrival

Maintain a distance of min 50nm from the closed ports of Benghazi and Derna

Maintain a distance of min 30nm from other Libyan Ports

WHEN OPERATING OFFSHORE (WITHIN SIGHT OF LAND)

Maintain a 24 hour on-deck watch, ensuring heightened crew awareness.

Closely monitor VHF and be prepared to quickly respond to any challenges from military aircraft.

Increase lookouts.

Keep all available engines at immediate notice.

Minimise communication to essential transmissions with authorised recipients.

Keep the ship's programme and movements confidential.

CREW CONDUCT ASHORE

Dryad advises against all travel ashore in Libya outside of port limits.

CHARTERERS WARRANT THAT THEY ARE AWARE AND WILL COMPLY WITH ANY CURRENTLY EFFECTIVE EU/UN SANCTIONS A/O DIRECTIVES IMPOSED ON LIBYAN CARGOES/TRADE.



LIBYA UPDATE 9TH APRIL 2018

Libya - port situation – GARD P&I Updated 8 April 2019

Despite recent reports of unrest in the vicinity of Libya's capital Tripoli, there have been no further changes to the working status of Libyan ports. Ships are, however, advised to stay in close contact with their local agent to obtain the most up to date and reliable information available at any given time.

Port situation

- **Working:** Farwah, Bouri, Melittah, Zawia, Tripoli, Al Khoms, Misurata, Es Sider, Ras Lanuf, Marsa El Brega, Zuetina, Benghazi, Tobruk and Marsa El Hariga
- **Closed:** Sirte and Derna





QUESTIONS?

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