



AET and Statoil celebrate deal for LNG-fuelled shuttle tankers

Parties gather in Stavanger for official signing ceremony

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AET chairman and MISC Group president and group chief executive Mr Yee Yang Chien was in town in Norway today to put pen to paper on a landmark long-term charter contract with energy major Statoil for the ownership and operation of two shuttle tankers.

The dynamic positioning two (DP2) vessels have been ordered at Samsung Heavy Industries in South Korea and will feature LNG dual-fuel propulsion as specified by Statoil. They will operate in oilfields in the North Sea, Norwegian Sea and southern Barents Sea.

AET tells TradeWinds the 125,000-dwt duo have a combined contract price at SHI of KRW 272.4bn (\$237.5m) in a deal signed on 30 June. The first is scheduled for delivery in the fourth quarter of 2019 and the second in the first quarter of 2020.

The newbuildings will be funded by AET's internally generated funds and external borrowings.

The Malaysian owner confirms the vessels will be owned and operated by AET Sea Shuttle (AETSS), the joint venture between AET and Arendals Dampskibsselskap (ADS Shipping) formed in 2012. AET owns 95% and ADS 5% of the venture.

AETSS is chaired by AET president and chief of executive Captain Rajalingam Subramaniam, who was also in Stavanger for the ceremony.

OSM Maritime Group will provide the lead technical management, supported by MISC Group, during the construction of the vessels, AET says.

The company says it was invited to participate in the Statoil tender in October last year and competed with 11 bidders over eight months for the business, with the contract awarded on 19 June.

"We have all collaborated over many months to develop these state-of-the-art vessels to ensure that they will be the most energy-efficient DPSTs in operation anywhere in the world. They will be the first LNG dual-fuelled vessels of this class, and will be developed with the latest eco-efficiency technologies. This is a significant achievement, and something for which we can all take pride in," Yee commented in an e-mail to TradeWinds.






AET says Statoil will make a final decision on the vessels' charter period by 31 December but that it will be for either five or seven years. The estimated contract value for five years is \$200m and \$275m for seven years, it adds.

AET already has its first two DP2 shuttle tankers, the *Eagle Bergen* and *Eagle Barents* (both built 2015), on charter to Statoil in the same area under AETSS. They are also technically managed by OSM.

AET began working with Statoil in 2010 with a contract for lightering services in the Gulf of Mexico.

"Having worked together for many years, we know the challenges present in these regions, and know exactly how to ensure the safest, most efficient and reliable service delivery. Importantly, we also understand how Statoil works, and respect its unflappable commitment to the highest standards of safety, and requirements for service excellence across all operations," said Yee.

"Importantly, when they are delivered, the [two latest ships] will be manned by highly trained crews with expertise in operating and manning DP vessels in harsh environments. They will [also] benefit from technical management and expertise provided by OSM Maritime, and to whom we are grateful for their continued hard work and commitment."

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