

# RICKMERS MARITIME *Newsletter*



Rickmers Trust Management Pte. Ltd.

8th Edition, August 2010

## RECORD TURNOUT AT 2010 AGM

Rickmers Maritime's 2010 Annual General Meeting (AGM) was held on Monday 26 April 2010 at One Marina Boulevard, commonly known as NTUC Centre. The meeting was presided by the Chairman of the Board, Mr Bertram R.C. Rickmers and directors Mrs Lee Suet Fern, Mr Lim How Teck, Dr Moritz Mittelbach, Mr Nels R. Friets and Mr Raymundo A. Yu Jr. A record number of 120 unitholders attended the event, eager to find out more about the recent developments of Rickmers Maritime and for the opportunity to interact directly with the Board of Directors and Management.



The AGM began with a brief presentation by Chief Executive Mr Thomas Preben Hansen, who recapped details of the two critical term sheets the Trust had signed with its creditors on Friday 23 April 2010. Mr Hansen also provided a business update on the Trust's financial performance in 2009, as well as insights into the outlook for the global shipping sector.

Following the presentation, the session was opened to questions from the floor. Unsurprisingly, the majority of them centred on the term sheets, with unitholders seeking more details or clarification. In general, unitholders viewed the signing as a welcomed development for Rickmers Maritime and expressed greater confidence in the prospects of the Trust going forward.

After the question and answer session, unitholders were invited to partake in a buffet lunch. Several of them also stayed on after lunch to catch up with Mr Hansen and Chief Financial Officer Mr Quah Ban Huat directly. The Trust looks forward to meeting its unitholders again soon and welcomes them to write to [ir@rickmers-maritime.com](mailto:ir@rickmers-maritime.com) if they have any questions or concerns in the meantime.



### Dear Investor,

During the first half of 2010, we witnessed a significant improvement in the container shipping market. A year ago, over 10% of the global containership capacity laid idle and empty containers flooded container storage facilities across the world. Today, most of the idle fleet have been reactivated and liner companies are reporting shortages of containers to cater to the surging demand.

Leading liner companies such as Maersk Line and Neptune Orient Lines are turning in significantly better financial performances this year on the back of improving freight rates and container volumes. Monthly cargo volumes at Singapore ports have also posted strong year-on-year growth this year, with the Maritime and Port Authority of Singapore reporting preliminary volumes of 2.40 million TEUs in June 2010, compared to 2.01 million TEUs the same month last year.<sup>1</sup>

Although Rickmers Maritime's charter revenue is not directly impacted by increasing freight rates, the fact that the liner industry is returning to profitability helps improve our counterparty risk. However, while good news abound, we remain cautiously optimistic about the outlook for the container shipping sector for the rest of the year, and remind ourselves of the uncertainties still prevailing in global economies.

In this 8th edition of our newsletter, we pay tribute to the 1.5 million seafarers around the world for their unique, and often overlooked, contributions as we celebrate the Year of the Seafarer in 2010. Amid greater awareness of the environmental impact of oil pollution, we also share insights into the critical measures enforced by container lines during bunkering, the process of refuelling a vessel, to prevent or at least minimise the occurrence of oil spillages or leakages.

As always, we hope you will find our newsletter interesting and informative, and wish you a pleasant read!

Thomas Preben Hansen  
Chief Executive Officer  
Rickmers Trust Management Pte. Ltd.

1. <http://www.mpa.gov.sg/sites/pdf/container-throughput.pdf>

## 2010 - THE YEAR OF THE SEAFARER



Crew at work

2010 is an especially significant year for merchant seafarers. As they sail across the world in the face of possible accidents at sea, perils of pirate-infested waters and at times, abandonment at port, the United Nations International Maritime Organisation (IMO) has dedicated this year to the 1.5 million seafarers who brave these difficult conditions every day as they serve the needs of the billions of people on this planet.



In a message announcing its decision last December, IMO Secretary-General Efthimos Mitropoulos said, "Our intention is to pay tribute to you, the world's 1.5 million seafarers – men and women from all over the globe – for the unique, and all too often overlooked, contribution you make to the wellbeing of all of us."

"We will do so with deep appreciation, in recognition of the extraordinary service you render every day of your professional life, frequently under dangerous circumstances, in delivering, to the more than 6.5 billion people of the world, the wheat that makes our daily bread, the gas and oil that warms our homes or moves our vehicles and the gifts we will share and enjoy with our families and friends over this Festive Season."

The theme – to be celebrated throughout the year and also as part of the World Maritime Day on 23 September 2010 – complements IMO's ongoing "Go to Sea!" campaign to attract new entrants to the shipping industry. It is also in line with the comprehensive review, initiated in 2006, of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) 1978 and its associated Code. Once adopted, the proposed amendments to the STCW Convention and Code will provide the necessary global standards for the training and certification of seafarers to operate technologically advanced ships, today and for some time to come.

We wish to take this opportunity to express our gratitude to these courageous seafarers, who without a doubt deserve our recognition and respect for their contributions to the development of our society. Specifically, we would also like to extend our appreciation to our very own crew, who have worked tirelessly to fulfil their obligations and duties to not just Rickmers Maritime but to the citizens around the world. Thank you!

Reference: [http://www.imo.org/newsroom/mainframe.asp?topic\\_id=1773&doc\\_id=11506](http://www.imo.org/newsroom/mainframe.asp?topic_id=1773&doc_id=11506)

### "GO TO SEA!"

*A campaign to attract entrants to the shipping industry*

The global shortage of seafarers, especially officers, have reached serious proportions, threatening the very future of the global shipping industry, which is the lifeblood of world trade.

A report by Drewry Shipping Consultants identified the shortfall of officers in the global shipping fleet to be 34,000 in 2008, against a total requirement of 498,000. Based on Drewry's projected global fleet growth, the report predicted that the officer shortfall would widen significantly to 83,900 by 2012.

The "Go to Sea!" campaign was launched in November 2008 by the IMO, in association with the International Labour Organization, the "Round Table" of shipping organisations – the Baltic and International Maritime Council, International Chamber of Shipping/ International Shipping Federation, International Association of Dry Cargo Shipowners and Intertanko – and the International Transport Workers' Federation.

The specific aim of the "Go to Sea!" campaign is to promote seafaring as an attractive option for young people of the right calibre, one that can provide them with fulfilling, stimulating and life-long career prospects, not just at sea, but also in the broader maritime industry.

With this initiative, the IMO has established a platform from which governments and the industry can mount their own campaigns to encourage and improve seafarer recruitment, especially among the younger generations.

*References:*

[http://www.imo.org/humanelement/mainframe.asp?topic\\_id=1757](http://www.imo.org/humanelement/mainframe.asp?topic_id=1757)

<http://www.thinkmaritime.com/2008/11/20/go-to-sea-campaign-launched-at-imo-to-attract-entrants-to-the-shipping-industry/>



Crew during their leisure time

## STOP THAT SPILL!



On 25 May 2010, two vessels collided in the busy waterways of Singapore, resulting in an oil spill that struck the eastern shores of the island. Although the authorities were able to contain the spillage and, with the help of volunteers, successfully cleaned up the affected areas on the coast, the incident is a stark reminder of its detrimental impact on the environment.

Indeed, the control and prevention of oil spills are of topmost considerations for shipping companies including Rickmers Maritime. In order to protect themselves against spillage, or at least minimise their occurrence, various safety measures have been put in place onboard vessels.

There are many causes of spillages, and bunkering, if not carried out properly and in accordance to regulatory procedures, is one of the most common. Bunkering is the process of refuelling a ship, just as one would fill a car with petrol. Overseeing the preparation and safe conduct of bunkering operations is the Chief Engineer, who is also responsible in ensuring that all crew members engaged in bunker transfer operations are thoroughly familiar with the vessel's bunkering system. Crew members themselves are responsible for keeping a close watch for the escape of oil during bunker operations. However, in the event of an unexpected discharge of oil, all crew members are also required to adhere to the Shipboard Oil Pollution Emergency Plan, a set of guidelines developed by the International Maritime Organisation in the effort to tackle the impact of oil pollution.

Among the measures that crew members are required to observe prior to bunkering include the examination of air vent pipes and gauges to ascertain that air and gas can escape freely. All deck scuppers and open drains must be closed or plugged, and any accumulation of water should be drained. In addition to the pump rate, "SLOW DOWN"/ "SHUT DOWN" signals must be agreed on. The Watch Keeper at the bunker manifold must ensure that he can communicate easily with the bunker barge and that the agreed "SLOW DOWN"/ "SHUT DOWN" signals are understood. A Deck Watch must also be appointed to patrol the deck and monitor for oil spills.

During bunkering, the tanks must be checked regularly to prevent an overflow. The oil should also be pumped at a consistent pace, in line with the agreed pump rate.

If a leak occurs during bunkering, operations through that particular connection should cease immediately until the cause has been ascertained and the defect remedied, followed by an instant call for clean-up procedures. Similarly, if a tank overflows, all bunker operations should be halted until the fault has been rectified. The overflowed bunker oil should either be transferred immediately from the tank to an available empty tank on the vessel, or pumped out and transferred to a barge or another ship.

In addition to leakages, other possible causes of oil spills include equipment failure, ship collisions, fire and explosions. In an event of a mishap, it is important that all crew members strictly observe emergency regulations and work hand-in-hand with the authorities to prevent it from escalating and to mitigate its impact.

References:

1. Rickmers Shipmanagement (Singapore) Pte Ltd, Main Shipboard Manual (Operating and Maintenance Procedures – Bunkering / Oil and Sludge Transferring)
2. Rickmers Shipmanagement (Singapore) Pte Ltd, Shipboard Oil Pollution Emergency Plan

## CORPORATE UPDATES

### 23 April 2010

Rickmers Maritime signs two critical term sheets that will provide a comprehensive resolution to its capital commitment and financing issues. The first, with its lending banks, outlines a five-year extension of its US\$130 million Top Up Loan facility and a waiver of up to three years of the asset-to-loan coverage ratios in relation to its existing vessels. The second, with Polaris Shipmanagement Co. Ltd, discharges Rickmers Maritime from obligations to purchase seven vessels with a total contracted value of about US\$918.7 million.

### 26 April 2010

Rickmers Maritime turns in a stable set of financial results for the first quarter ended 31 March 2010 (1Q2010). Charter revenue rose 14% to US\$37.16 million in 1Q2010, attributable to maiden contributions from its 4,250 TEU containership, Hanjin Newport, and full-quarter contributions from its 4,250 TEU vessels, MOL Destiny and MOL Devotion. Cash flow from operating activities improved 2% to US\$27.64 million on the back of increased charter revenue, offset by higher expenses. Distribution to unitholders was 0.57 US cents per unit for 1Q2010.

### 26 April 2010

Rickmers Maritime holds its 2010 Annual General Meeting (AGM) at One Marina Boulevard, attended by 120 unitholders. All resolutions set out in the Notice of the AGM were duly passed.

### 9 June 2010

Further to its announcement on 23 April 2010, Rickmers Maritime announces that it has entered into binding agreements with its lending banks and Polaris Shipmanagement Co. Ltd, on the same terms as agreed between the parties in the term sheets.

### 14 August 2010

Rickmers Maritime releases its financial results for the second quarter ended 30 June 2010 (2Q2010). To access Rickmers Maritime's 2Q2010 results announcement and presentation, please visit <http://www.rickmers-maritime.com/>.

Our vessels carry goods destined for Europe, Americas, Africa or Australasia on various trade routes and across multiple time zones. Here is a geographic display of our vessel locations as at 30 August 2010.



- |              |                    |                |                |
|--------------|--------------------|----------------|----------------|
| CMA CGM ONYX | CMA CGM AZURE      | ITAL FIDUCIA   | MOL DESTINY    |
| ANL WINDARRA | CMA CGM JADE       | ANL WARRINGA   | MOL DOMINANCE  |
| ITAL FESTOSA | ANL WARRAIN        | HANJIN NEWPORT | MOL DEDICATION |
| ITAL FASTOSA | KAETHE C. RICKMERS | MOL DEVOTION   | MOL DELIGHT    |

## GLOSSARY

### INTERNATIONAL MARITIME SIGNAL FLAGS (PART 1 OF 3)

The system of international maritime signal flags is a way of representing individual letters of the alphabet in signals to or from ships. Such flags are used to communicate messages, at times when radio silence is required:



A (Alfa) – “I have a diver down; keep well clear at slow speed”



B (Bravo) – “I am taking in, or discharging, or carrying dangerous goods”



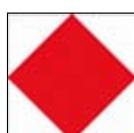
C (Charlie) – “Affirmative”



D (Delta) – “Keep clear of me; I am manoeuvring with difficulty”



E (Echo) – “I am altering my course to starboard”



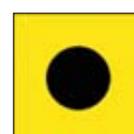
F (Foxtrot) – “I am disabled; communicate with me”



G (Golf) – “I require a pilot”



H (Hotel) – “I have a pilot on board”



I (India) – “I am altering my course to port”



J (Juliet) – “I am on fire and have dangerous cargo on board; keep well clear of me,” or “I am leaking dangerous cargo”