

New vessel - sign of recovery

After the rather horrible markets that we experienced last year, everybody has been hopeful that 2010 would see a good recovery. As we have warned about before, even though we see clear evidence of some recovery, the steep fall of last year has taken so much out of the economy that it will take some time to fully recover. To put it in another way, even though we have started climbing out of the pit, it is a deep hole and there is still some climbing to do before we are out.

We believe that the problems seen lately in Greece and some other European countries with sovereign debt will slow the recovery to some degree, but we do not think that it will stop the recovery.

The recession has also pushed down the values on all kinds of ships, and we have used this opportunity to purchase a good second hand ship, the MT Bow West, which will be taken over in Taiwan on the 1st of July. She will be renamed the MT Trans Adriatic, and will be used in our Mediterranean service. She is 12500 dwt, built in Japan in 2002, and has 22 stainless steel tanks.

There is still some way to go before we are back to business as normal, and we still have a challenging time ahead, but Seatrans can now start to take advantage of some of the opportunities that appear in the market in the aftermath of the financial crisis.

I wish you all a good summer and safe passage!

Johan Hvide



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Keeping Polish seafarers in Seatrans

"We cannot, on any account, afford to lose our skilled Polish seafarers", says Lars Helge Kyrkjebø.

As you are all aware, the new Tax Convention between Poland and Norway is most likely to be ratified and will become effective from 1 January 2011. This means that Polish seafarers serving on board NIS flagged ships may be taxed by Polish authorities from 1 January next year.

"We realise that this will make it much less attractive for Polish seafarers to work on NIS-flagged ships and that many of our skilled Polish seafarers may choose to leave Seatrans. This is something we have to avoid", says Kyrkjebø. "We will do what we can to take care of our expert Polish seafarers and to maintain Seatrans as an attractive place of work.



One way to avoid the NIS taxation problem is to re-flag our ships to a different flag than NIS or move Polish seafarers to vessels sailing under a non-NIS flag. These measures are currently being considered by the management group."

"We have given the politicians time until August to clarify the situation. If we do not see a clear solution by then, we will start re-flagging ships so that we can remain an attractive employer for our skilled Polish Seafarers", says Kyrkjebø.

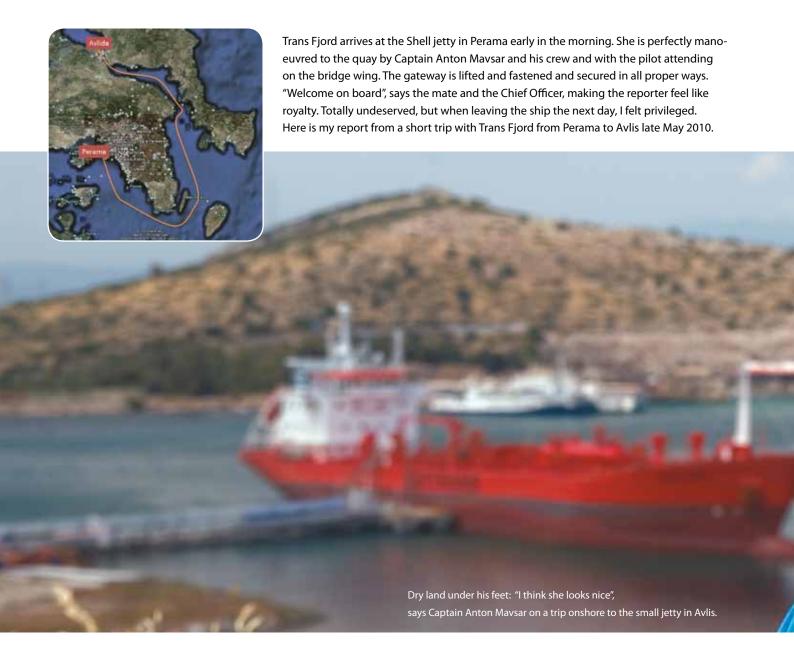
"The re-flagging process will be completed in due time before the new tax regime eventually comes into force."

The new Tax Convention between Poland and Norway is most likely to be ratified and will become effective from 1 January 2011. If ratified, the Tax Convention will have a severe impact on all Polish seafarers employed on Norwegian ships and for Norwegian companies (including Seatrans) who for many years have been dependent on the competencies and loyalty of Polish seafarers. Therefore, the Management in Seatrans, in cooperation with the Norwegian Shipowners Association (NSA), the Polish Seafarers Union, the Association of Polish Maritime Agents and the Shipowners' Representatives as well as the Seatrans office in Poland have been closely monitoring how the case develops.

While awaiting the final outcome in Poland (of the tax agreement and the new Polish Seaman's Act, etc), there are possible actions the company can take to minimise the effect of the new tax regime. Seatrans aims to remain an attractive employer for our Polish seafarers and thereby protect critical competencies and our HR-related business foundations. Our course of action is as follows:

1. Influence the final tax regime solution

- Support our Polish partners in their efforts to implement new legislation in Poland.
- Development of new regulations related to seafarers' employment is well advanced. The Polish government has a clear intention to clarify taxation and social security for Polish seafarers.
- Based on positive experience of similar regulations implemented a few years ago in Croatia, we believe the changes may solve not only taxation issues but also provide a long-term solution with regard to social security.
- 2. Investigate what actions we can take internally to minimise the effect of the new tax regime We have several options in sight. These may include moving Polish seafarers to vessels sailing under a non-NIS flag, re-flagging parts of the fleet, reorganising the company structure, etc.



While ballet dancers head for retirement when they reach the age of 30, ships retire even younger. But age doesn't have to be that bad. It is 17 years since Trans Fjord first sailed on salt water, but she is still young at heart and in good shape. "It's always nice to see her coming in. She lights up the port", a commenter in Perama, close to Piraeus, the port in Athens told me. It's hard to disagree with him.

"We will be descharging Xylene, Toluene and White Spirit here in Perama", Captain Anton Mavsar explains. "We are on our way from Rotterdam to Turkey, but the cargo that we descharge here was loaded to our tanks in Algeciras, Spain."

The crew on Trans Fjord is truly international. Of 14 men, one comes from Poland, one from Bosnia Herzegovina, and two from Romania. That leaves ten well experienced seafarers from Croatia. Captain Mavsar joined Seatrans in 2002 and has been through all the steps from 3rd Officer to Captain in the company.

Respect and expectations

"I'm very satisfied with the crew and our performance.
Yes, we still have room for improvements, but we are very proud
of winning the "Ship of the Year" award. As a team, we have a
very good atmosphere onboard. We know each other very well,
and I have never experienced any friction. The crew is also very



stable, so all in all this makes it easy to sail with Trans Fjord. As Captain I know what I can expect from each of the crew members, and they know what they can expect from me."

Career at sea

Growing up in Pula on the Croatian peninsula of Istria near the Italian border, Anton Mavsar certainly knows a lot about life at sea, or at least by the sea. "My father worked in the army, but not at sea. So, I was not pushed to sea to take care of the family's pride or heritage. To be honest, I don't really know what led me into a career at sea. But ever since I was a young boy, I've wanted to go to sea. After secondary school I went to the Maritime University in Rijeka. And here I am. I enjoy my job and am satisfied with my choice. The contract with two months at sea and two months at home suits me very well. Of course, I miss my wife and our two daughters at home; two years and two months old. But on the other hand when I'm home, then I'm home", says Anton Mavsar!

The recipe for Ship of the Year

The Seatrans vessel competition to win the Ship of the Year award is very demanding. You compete in a number of exercises or variables. Here are a few hints on what the crew on Trans Fjord did to win the award.

"We made up a plan two to three years ago. We organised ourselves and made a plan about how we could improve in all aspects. We believe the ship had a good standard at that time, but we wanted to improve from good to very good", Captain Anton Mavsar explains. He and Captain Mario Butorac who is the other Captain on Trans Fjord share the same ideas about managing the vessel.

Winning atmosphere

"But we also share the same views as the crew. This gives us an advantage, in that we have the same attitude to maintenance and management style. We are also fortunate to have such a stable crew. That means that we can focus on improvement rather than having to tell people to do this and that. Everyone knows what to do, and if they don't the people around them are helpful and share their experiences and skills", says the Captain and team leader on Trans Fjord.

From top to bottom

Chief Engineer Mihail Razvan Florea agrees. "A good crew is most important. In the end, a good crew means everything."

In the engine room, the team has made a plan that includes everything they can do when at sea or at port. "We have learned how much more easy it is to keep things tidy and in order on a regular basis. It is easy to let things lie until you really have to do something. Then the job will be much harder to do and much more demanding. By carrying out maintenance and cleaning regularly you can keep up the standard much easier. It's still hard work, but far better than the alternative", says Mihail Razvan Florea.

Some glimpses of daily life onboard Trans Fjord



Boris Kik (see page 12) starts work about 05.20 in the morning, baking morning bread for hungry seafarers. He makes different types of bread, but mainly white bread and morning rolls. The crew members who have slept at night and the crew from the night shift arrive separately about 7 o'clock; and are met by the smell of freshly baked bread directly from the oven.

As the sun appears, the flags have to be raised. Here, in the Avlidas Passage, the fishermen are out in their small boats and the morning traffic with the ferries crossing the strait has started. Trans Fjord is slightly ahead of schedule this morning, so the engine pitch is reduced to a minimum and the speed is about 8-10 knots. We don't want to arrive too early at the coordinates where we are to pick up the pilot.

In the Galley, Boris Kik has started to prepare lunch. Soup is "a must", but the main dish varies a lot. Today it will be lamb.

After getting the lamb in the oven, the cook starts preparing the surprise of the day. It has something to do with apples...

On the bridge, they are ready to get some help from a tug vessel to arrive at quay in the jetty. Although Trans Fjord is travelling light after discharging in Perama, the water depth is at a minimum. The propellers dig up the mud and the water turns brown. It does not look nice, and neither is it favourable for the filters in the main engine cooling systems. The engine is used to a minimum, but the operation is perfect. You don't even feel the ship touching quay. A few minutes later, the gangway is launched and the representatives from the terminal enter the ship. At ten o'clock, they have got their samples of the cargo and will leave to get them tested at their laboratory to ensure that they get what they have requested and that the quality is in order. One hour later they come back: everything is OK (of course). In the meantime, the hoses that connect the ship to the tanks on shore have been mounted. About 11 am, the discharging operation can actually begin.

In the galley, Boris Kik has prepared lunch. It's time for the first main meal of the day. The lamb is so soft you almost don't have

Even if the "Seatrans standard" tells you the most important things you need to know and do, every ship has its own way. And who decides? The cook, of course!



to chew it. And the salad side dish is wonderfully fresh. After lunch and dishwashing, cook Kik is ready to complete his surprise of the day. An apple cake with icing. As the cake is being baked in the oven, Kik starts to prepare dinner. The Chief Officer in the cargo control room follows the discharging operation minute by minute. With a speed of 250 cubic meters per hour, how long will it take? They calculate and look at the monitor, estimating that they will be finished by 9 pm. There are still many hours to go.

It's time for a short trip on shore. When possible, the crew buy fresh fish and local fresh vegetables, but not today. But it feels good to take a walk in the Greek sunshine. Back onboard Trans Fjord, it is 3 o'clock pm and coffee time. Freshly baked apple cake for those who dare risk spoiling their appetite before dinner. In the engine room, the fitter and motorman are doing some cleaning. On the bridge, the 3rd mate is preparing the headings for the next day's sailing. On the deck, the ABs take care of various tasks and keep an eye on the gangway.

At six o'clock, dinner is served: Beef loin with mashed potato. And fresh salad, of course. And if you still have room, wonderful apple cake and cappuccino are offered. Free of charge. Help yourself. I did.

In the control room, the tank indicators on screen show that the time should be about 9 pm; they are about to indicate that the tanks are getting empty. Both are correct. After checking on site and getting the last litres pumped up, the discharging operations are completed. After disconnecting the hoses, Trans Fjord is ready to leave. But because of the bad ground conditions, sailing is only permitted in daylight. The crew and the vessel get an extra night at port. Nonetheless, in the morning the crew will wake up to the smell of freshly baked bread. Boris Kik has been on the job, together with the AB on guard during the night.





Good forecast: In the port of Alayis Ivica Jurlin got a sample from one of the local olive trees. "I think the olive harvest this year will be very good", he says.

He is a busy man before arriving at port and while charging or discharging cargo. And if you don't see him on Trans Fjord, you may find him in his olive garden at home in Croatia, or fondly looking after his cherry trees.

"I make about 400 litres of the best virgin olive oil you can imagine", Ivica Jurlin says. He may not seem very humble but this statement appeals to the imagination of a completely inexperienced reporter in the fine field of olive oil making. "I have some old trees and many young trees, and we keep them at about 2.5 meters high. We treat them well and use only natural fertilizers. The olive oil from my field is completely ecological", he says. "And my cherries are among the best you can get. People pay high prices for my cherries."

Ivica Jurlin talks with enthusiasm and passion as soon as the theme shifts in the direction of olive. Well, as a matter of fact, he is a very verbal person on every theme. And that is a good quality for a person who deals with the customers' representatives in port. They all seem to thrive in his company. Even without olive oil...

On the other hand: "Maybe I will make a living out of this in a few years time. We shall see", says Ivica Jurlin.

Veteran on Trans Fjord:

No secrets for Ante Vucik

Competing for the most stable crew? It will be difficult to beat AB Ante Vucik. He started work on Trans Fjord two weeks before she was delivered from the shipyard in the Netherlands – in 1993! And he is still on board, his constant smile spreading a good mood. But after life onboard, Trans Fjord has no secrets left for Ante Vucik.



"I know every inch of her", he says with a smile. The vessel became Trans Fjord after being bought by Seatrans in 2003, but she has always been a good vessel according to Vucik. "She was number two in a series and benefited from the experiences they gained from the first one. There has never been any serious trouble with Trans Fjord."

Even in heavy storms in the Bay of Biscay, she handles with pride. The only time she can be difficult is when carrying ballast. "When she is loaded she behaves very well in bad weather."

Ante Vucik does not have a family of his own. "I have my family here", he says although he tells us that he has a very, very kind girlfriend at home in Zadr, Croatia where he has built a nice house close to the sea. But living his life at sea has left its mark:

"I like to go fishing. I like all kinds of fish and seafood, from calamari to octopuses".

"So you fish from your own boat?"

"I don't like small boats", Ante Vucic replies with his broad smile.



Photographer at sea

"I have always been a passionate photographer", says Wojciech Incewicz who is 2nd Mate and a photographer on Trans Fjord.

For 95 per cent of his free time, you will find him with his Canon digital DSLR camera. "When I bought the camera I also bought an external 2TB hard disk for the pictures. And now I only have five hundred megabytes left."

Translated into "analogue" language: He has literally taken thousands of photos. "I take maybe 1000 pictures on a single working period with Seatrans. I take pictures of everything, I have no specialties. I take photos of landscapes or a detail when walking around a town. But I prefer the "blue time" – the twilight time in the morning and evening. That is the best time for shooting nature photos."

He started with a pocket camera, but took photos of such high quality that the owner of the shop he used for developing the films asked for permission to show a few of his shots in an exhibition. Since then, he has changed camera three times. But he does not call himself a competition photographer.

"When I'm at sea I can't send in pictures to competitions, and when I am at home I don't have the time", he explains. This may be partly explained in that he just received his certificate for Chief Mate, and that takes a lot of hard work.

"I am hoping for promotion, probably not this year but maybe next year. The jump from 2nd Mate to CO is probably the largest in a career at sea. I have to see", he says. But after four years in Seatrans he is not complaining. "Seatrans is all right for me", he says.

Proud men in the engine room



"You can eat dinner off the deck in the engine room". That was the claim made by the Seatrans office, and a roundtrip of the engine room on Trans Fjord confirmed the statement. "We share a common understanding of the fact that it is much better to maintain and clean up regularly than wait until you simply have to", explains Mihail Razvan Florea who is Chief Engineer on duty when "TransNytt" visited "Ship of the year 2009".

Trans Fjord is 17 years old, but you would never think so when seeing her. She gives a very good first impression, but she also can take a more critical second look. This also includes the entire engine room with all its pumps, hydraulics, gears and engines. But this does not happen naturally. We asked the men in the engine room "how" and "why".

A dream

"I had this award (Ship of the Year) as a dream", explains lon Viorel lorga, 2nd Engineer. ""We started to prepare for the "Ship of the Year" award last year (2008). Together with Captain Mario Butorac, we made a plan for how to win the award. You know, it's all a question of ambitions. Now we have the standard we want to have – and we intend to keep things this way in the future." lorga from Romania also clearly confirms that this attitude is a matter of personal commitment. "I have had other very good job offers, but I have chosen to stay with Seatrans. To me, both the owners and people at the office show in many ways that they care about me and us as persons.

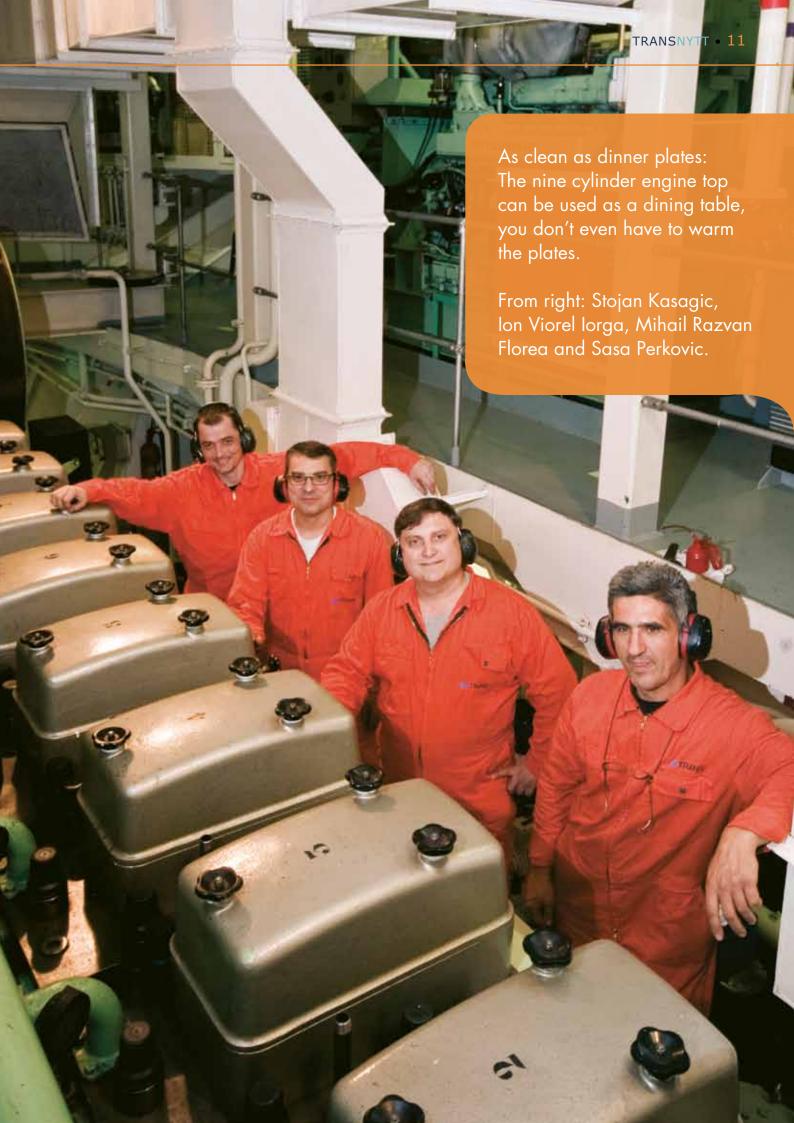
That means a lot to me, and it supports a positive climate among the crew on Trans Fjord. Now, I hope to be able to stay on board or work in Seatrans so that I can win the 15 year diploma."

Good team

Sasa Perkovic from Croatia is motorman for his third year sailing for Seatrans, onboard Trans Fjord and Trans Sea. He confirms the above. "There is a very good team on board Trans Fjord. We live a friendly life without quarrels and conflicts. The work is hard, but people see and appreciate the targets we achieve and that makes us happy."

Improvements

Stojan Kasagic is the only Bosnian onboard, but the fitter doesn't complain. "I've been here for four years now. We know each other very well and we have developed great friendships. That helps provide a good atmosphere and positive cooperation. But we cannot rest on our laurels, we have to improve all the time."





Prefer Mediterranean cooking

"I like all kinds of food, but my favourite is Mediterranean cooking", says cook Boris Kik when we asked him about his personal preference. After making meals at sea for 35 years, you might expect him to be tired of food?

"No. After one month at home, I enjoy going back onboard", Boris Kik explains. Onboard Trans Fjord, he is able to expose his culinary skills. He starts work just past 5 in the morning to make the daily bread for the crew, counting 13 plus himself. By quarter past seven he has prepared the first meal. The crew enters the dining room to the smell of freshly baked bread. After breakfast, he starts preparing lunch. Usually he makes a soup as

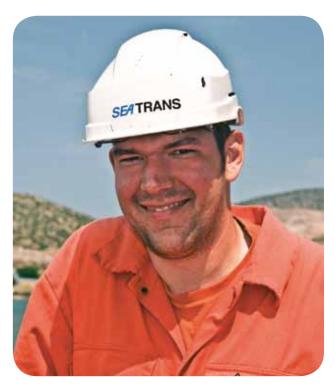
starter, and a substantial main dish with salad. The lunch meal is served at 12.30. After a short break, he starts preparing dinner. In between, he sometimes bakes a cake. The dinner is another two course meal, served from around 17.30 to 18.00. By about 20.00, he has finished the dishwashing and cleaning the galley. Captain Anton Mavsar sometimes calls him the most important man onboard. After all, you are what you eat!

"This is my fourth contract with Seatrans. My last trip home lasted for 80 days. That was too much. I like life onboard", says Boris Kik. After so many years in the galley, we believe him.

Cadet with "rowing" background

"I have been onboard Trans Fjord for two months and eleven days. I boarded the ship 05.30 in the middle of the night, there wasn't much light and I wondered what would meet me. But when the daylight came and I was introduced to the guys, I felt more comfortable. And all the stories I'd heard were true. Both my father who was a sailor and the professors at the Maritime University in Rijeka had prepared me for life at sea. They shared their personal experiences from real life at sea with us," says Marin Mavrovic who is cadet on Trans Fjord.

He has the height and body of a basketball player and used to play the game now and then until his knees showed signs of needing a longer break. But Marin Mavrovic is definitely an athlete. "I love to row. Not the small rowing boats you see in the Olympics, but lifeboats and other boats of that size. At secondary school and at university, I was on the rowing team. We were 12 + 1 rowing the largest boats and only 8 or 10 + 1 in smaller boats. The aim is to row a length of 400 to 450 meters, and then turn and row back. You mostly use muscles in your stomach and back, while your legs are used to stabilise and your arms to turn backwards again after a stroke. It's a good team sport," Mavrovic sums up. Now he is on a longer journey with an unknown destination. All he knows is that he has to gain some necessary certificates on the way.



On his way up: Marin Mavrovic has left rowing and started a maritime career as cadet at Trans Fjord.



2010 - A year of market recovery or?

Seatrans Chemicals' view Jan H. Johansen

As all of us know we have been through some rather tough market changes over the last 2 years. When the financial crises came with full force during

the summer of 2008, all

chemical producers and other industries were putting their brakes on. Industrial production in Europe fell with about 25 % from mid 2008 through to summer 2009 which naturally had a very strong effect on our markets.

The way we got through this without serious damage was to redeliver two ships in January 2009 and by laying up the Trans Holm in May same year. Later we cancelled 2 TC deals that should have been delivered in 2009. These two ships were negotiated in April 2007 but since delivery dates were far behind cancelling dates we decided to cancel. In April 2010 we redelivered the MT Trans Alina after 9 years TC and took on a 5800 dwt stst vessel called Multitank Batavia at more moderate hire levels.

These actions combined with a stable COA portfolio got us relatively nicely through a market dominated by reduced volumes in all directions. Our markets have been through two majors dips, 1st one autumn 2008 and the 2nd one autumn 2009. Both pretty similar in their downward trend with reduced cargo volumes and rather fierce competition for both new Contracts and for spot volumes.

2010 Facts and figures:

- 14 ships trading
- 1 x 12500 dwt stst vessel built 11/2002 just purchased in June
- · Yearly turnover about Euro75 mill
- Yearly volumes shipped 1,8 mill tons consisting of about 1000 different parcels
- COA coverage in the region of 50/60 %

We did expect 2010 to provide some better news both in volumes and later with stronger rate levels and we saw clear indications of that from January into March, since, however, we have seen markets slowing again. The economic activity in Europe has been under close scrutiny from the end of April with many serious reports on debt levels in several countries in Europe. The uncertainty created by this is causing reduced activity in the chemicals markets and players do not take any risks and economic activity and transport of chemicals are restricted.

Our ships are in general trading well and are reasonably well employed although we from time to time have some wholes in our program. We still expect 2010 to point us in a positive direction but shall most likely through a rather bumpy summer before markets trends are clearer and positive development into 2011 onwards can be confirmed.

Our earnings this year are about as expected in all trades. With the good work and keen efforts made ashore to improve our results both onboard and ashore we are optimistic going forward.





"They took all necessary precautions, followed best practice and were constantly on guard as they passed the Bay of Aden on their way from old Europe. The sailing was completed without any problems," says Captain Halvor Roer lensen.

Unusual surroundings: Being used to seeing the OHM Leader in Aberdeen

or in Bergen, it's rather exotic to see her sailing into harbour in Cochin in India. Photo: David Coursey.

Lars Helge Kyrkjebø celebrates his 50th birthday

We have been working together for more than 20 years and known each other since childhood. We are very different as persons, but have been fortunate enough to remain close over the years. From my point of view, the reason is: You are a splendid fellow!

This statement was delivered by Johan Hvide and was directed to Lars Helge Kyrkejbø who celebrated his 50th birthday on 3 May. To the in-house audience at lunch, Johan Hvide emphasised in his informal speech that he and Lars Helge also had very much in common, obviously with the ownership of and responsibility for Seatrans as the most important. "I look forward to working with you in the years to come," Hvide concluded.

The female staff, dressed as angels (and there are many of them in the Seatrans office) had written and performed a song with great feeling and emotion. The words of the song clearly portrayed the core values of Seatrans but unfortunately do not allow translation into English. Neither can we put into words and onto paper the atmosphere during their performance. One thing is clear, the star of the show enjoyed his song. And we all enjoyed the cake served during the birthday lunch.



More than "rice and curry": In addition to the two cooks, Mr. Simon Dsouza who is an Indian cook is taking care of the food for the four client representatives and others who loves the Indian kitchen.

"We were a marine crew counting 15 and a survey crew of 4 onboard. Everybody handled the situation very well. We spent a lot of time preparing and training in order to be ready in case of an attack. But of course, we were all a little nervous and were on high alert for more than 3 days and that definitely takes its toll both mentally and physically."

Now, OHM Leader is in full CSEM operation in the Indian Ocean. The Controlled Source ElectroMagnetic Mapping (CSEM) survey has been going well. As did the long journey from Norway through the Suez and the feared Gulf of Aden, completed by the crew and staff on OHM Leader without problem.

Hotter than the North Sea

Operations at sea involve dealing with salt water no matter where you are in the world, but temperature and humidity vary vastly according to location. At the time of writing, OHM Leader is in full operation off the west coast of India. The conditions here are somewhat different than those in the North Sea. We asked Captain Jensen for a short report.

"There are many different conditions to take into account compared to the North Sea, such as temperatures up to 38 degrees,



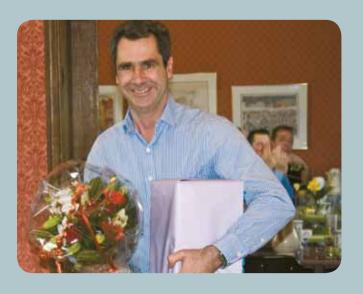
Expert skills on deck: OHM Leader has executed her first CSEM survey in the Indian Ocean, and many members of the first crew are ready to travel home. Photo Halvor Roer Jensen.

port calls, crew change and security. But the operation is going OK, with only some small delays. We are working in very deep waters, app. 2000 metres deep. There is also a slight current so it is a challenge to get the equipment in the correct position on the seabed. But all in all we are satisfied with the operation, and I hope the client is satisfied with our progress."

Oriental dishes

"In addition to the two cooks we normally have on board, an Indian cook is taking care of the food for our 4 client representatives. This is going very well. We know Mr. Simon DSouza from before since he served as both messman and cook on board the OHM Express and other vessels in Seatrans in the past," Jensen reports. "As we have been instructed not to have any beef on board while operating in Indian waters, the menu has of course been reduced. But our cooks are doing a good job finding other variations of food and meals so there is always something to please everyone."

The OHM Leader will remain in operation in the Indian Ocean for some time before she sails to new assignments in the Far East.



ANNIVERSARY

50 YEARS

Grancea, Mircea 10.07.1960 Roman, Dumitru 13.05.1960

60 YEARS

Hagen, Per 01.08.1950 Lipanovic, Ante 12.07.1950 Trans Fjord at the port: The journey is over. TransNytt says goodbye to the crew at Trans Fjord, represented by Dalibor Knez (left) and Branko Loncar.

