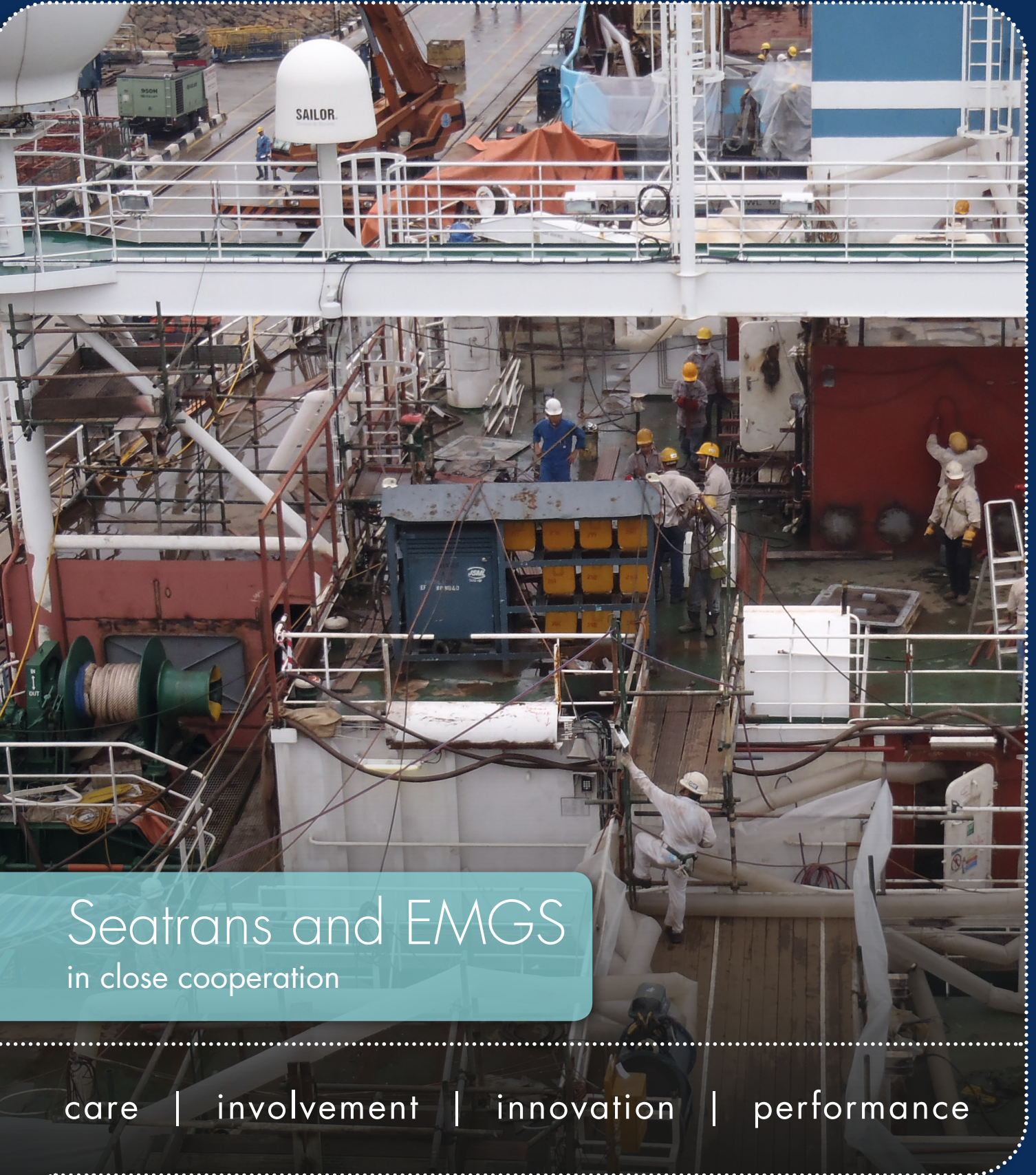




TRANSNYTT



Seatrans and EMGS
in close cooperation

care | involvement | innovation | performance

Challenging navigation, but steady course

It is very turbulent times in Europe these days with debt crisis and EU rescue operations evolving from day to day. Although this is not affecting us directly, it certainly does not help improving the markets we operate in. We expect the shipping markets the next 1-2 years to be difficult, and how it will affect us will to a large extent depend on how Europe is developing.

For the Seatrans Group it is today an advantage to be in different segments. Sea-Cargo is doing well, offshore has been struggling and the chemical tanker market is weak, but not a disaster. The markets for crude and product tankers are presently the worst markets to be in. We are glad we are in the specialized chemical tanker market with good contract coverage and we are not too exposed to the weak spot market. Our main contracts are renewed and secured for a number of years ahead, and presently our focus is concentrated on restructuring and renewing our chemical tanker fleet.

We are very satisfied with the agreement we have made with EMGS for our two offshore vessels. At the moment both ships are mobilized for operation, and we are confident that they will be quite busy the next years. We look forward to cooperating with EMGS and to participate in developing the EM market further.

Although it is turbulent and difficult times, the Seatrans Group is moving in the right direction and we go into 2012 with more confidence than we have done in several years.

I wish everybody a peaceful and happy Christmas and a Prosperous New Year!

Lars Helge Kyrkjebø



Content

| | |
|--|----|
| Driving forces behind the costs | 4 |
| EMGS – new partner | 6 |
| EM Leader under preparation | 8 |
| Seatrans offices on the move | 10 |
| Shell renews Seatrans deal | 12 |
| New arrivals and jubilees | 13 |
| Glimpse from history and anniversaries | 14 |

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Newsprint

from Seatrans to Sea-Cargo



As a result of the declining volumes in the newspaper trade Seatrans has come to an agreement with Sea-Cargo to transfer the operation and marketing of the newsprint transportation provided by Trans Dania. –We have seen a trend over the last 20 years of declining seaborne volumes of newsprint from Scandinavia to the mainland Europe, and the financial crisis has only strengthened this trend. In 2007 Trans Dania transported 270.000 tons of newsprint compared to 150.000 tons in

2010. This illustrates the picture. The skilled operators in Sea-Cargo will both maintain the service for our client and make it easier to find suitable goods for Trans Dania and thereby improve the use of her total capacity, ship owners Lars Helge Kyrkjebø and Johan Hvide says. The transfer took place 1. October. Seatrans will still have the ship management for Trans Dania.

Transport at sea – best environmental alternative

In a new report ordered by the Port of Oslo, researchers find it far more environmental friendly to transport goods by sea than by trailers.

It has been said before, now, Norwegian researchers have come to the same conclusion: One single container from Rotterdam to Oslo by sea saves as much CO₂ emission as driving more than 20,000 kilometers by car.

The researchers have used real cases in their studies. Container from Rotterdam to Oslo, kitchen in parts from Denmark and TV sets from Germany to Oslo transported by ferries. They have compared emissions from standard traditional vessels with state-of-the-art trailers (Euro class V). And the conclusion is as clear as only researchers sometimes can be: "One has to conclude that transport by sea is more environmental friendly than transport by road in all the alternatives (we) examined." (full text in Norwegian: <http://www.oslohavn.no/no/nyheter>)

“Driving forces” or What’s behind

You probably think the engine makes the ship move. You’re wrong. The engine is a vital part but only one of many factors that has to be in order, in good shape or approved and certified before any ship can set its course towards distant harbours. We have tried to sort out the most vital factors and the driving forces behind these to explain the larger picture. The list below is long but surely not complete. But it may give you some idea of the complexity and the reasons behind the costs?

Crew, travel and food

Seatrans has a crewing policy where we look for and employ highly skilled and motivated people to run our vessels safely and to the clients’ satisfaction. The crews come from a number of countries and, even if we make crew changes at optimal locations, the travel costs are considerable. Onboard, the crew requires healthy and good food. Additionally, the crews are involved in and invited to a number of courses and drills both on shore and onboard.

Safety

Safety is fundamental for a business like ours. Good safety is a result of good systems, good qualifications and equipment, and not least good attitudes. Safety is a never-ending story. Safety is an ongoing task every day, every hour and every minute. Even if safety is integrated in all our operations, we also allocate resources to promoting and developing our safety standards.

Fuel and lubricants

Until some ten years ago, fuel costs were a small part of the total costs. Nowadays, fuel and lubricant oils are a very noticeable cost. These figures are now more than four times the figures from seven years ago. Additionally, new restrictions have been put in place implying that the shipping industry now has to use lighter diesel oil in major parts of Europe, and more areas will probably be included soon.

Maintenance and docking

Every 24 to 36 months, every ship has to be taken in to dry dock for cleaning and painting. The engine is overhauled, other equipment onboard is also overhauled and new equipment is installed. Painting is a priority task, but due to the use of more environmentally friendly products to produce paint, it is no longer as durable as the ones we used years ago. The result is that we have to repaint more frequently.

Class certifications

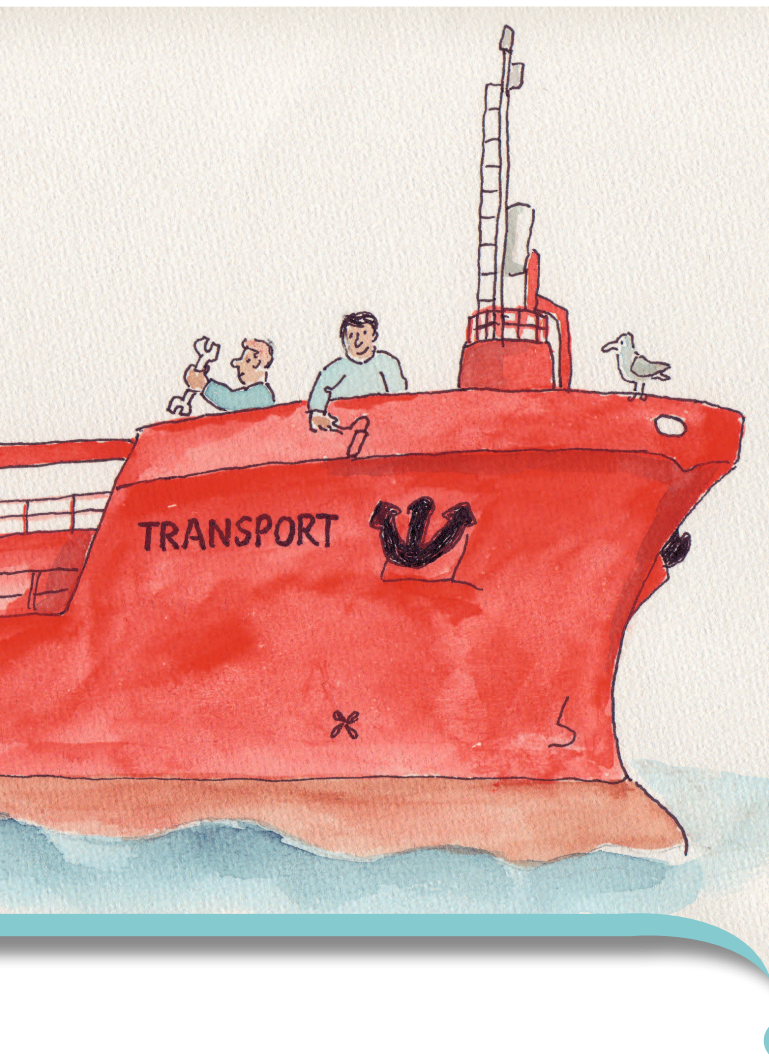
Before the vetting system was introduced, all ships had to be certified by an internationally renowned class institution such as Det norske Veritas. The inspectors from the class institution are engaged at the time the building of a new vessel takes place and later on at every docking and regular inspection.



the costs of running a ship

Vetting and unique demands from clients

The transport of aggressive chemicals by sea requires certain equipment and procedures. Moreover, the whole vessel has to be in good shape and the crew onboard has to have the expertise to handle such high classified jobs and tasks. While our clients take on both economic and environment risks related to their products, we have to prove our compliance with standards and demands. Many clients follow different schemes and we have to satisfy these, on all points and areas. This aspect has increased in recent years and is a cost factor with great impact on the whole organisation.



Navigation and communication

It is a long time since the stars showed the way across the oceans. Today's satellite based digital maps provide both the navigator onboard and the staff on shore with the position of the vessel. The technology involved has seen considerable development and continues to evolve. With more satellites above us, communication facilities have been improved. This has been beneficial both for the Company and the seafarers and their families at home. Now, anyone can communicate with the vessel by email and IP telephony.

The environment

The shipping industry has truly come under pressure from environmental activists, governments and international stakeholders. This is highly welcomed and makes transport at sea even more competitive to any other alternative where such is possible. Safety and care for the environment are two themes integrated in parallel. The environmental factor is visible on a number of areas such as painting, fuel, garbage (sorting in different fractions) and operations at sea and at harbour.

Damages and offhire

The Seatrans vessels visit thousands of ports every year in all kinds of wind and tide conditions. On very few occasions, the ship comes into hard contact with the quay or the seabed. The instructions are very clear: Incidents or accidents have to be reported and checked. If necessary, the vessel has to be repaired before the next job. This means days "off hire" and costs for docking and repair.

Spare parts

It does not happen very often but sometimes critical or vital parts break down or are damaged. Spare parts are generally very expensive and it is not possible to keep a large number of spare parts in stock. The trading pattern for most of the Seatrans fleet is within Europe and we are therefore close to supplies of relevant spare parts at short notice.

Limitations and framework

A ship has a hectic but short life. Even if a vessel is in perfect condition due to continuous updates and regular maintenance, it is expensive to run ships older than 20 years. The extra expenses for older vessels are related to extra costs for inspections and special certification criteria. Moreover, many clients do not want to employ vessels over the age of 20.



Each of the 3D EMGS vessels has the capacity to carry 200 receivers, providing the ability to efficiently handle large, complex surveys from a single vessel.

OHM Surveys merged with EMGS

"The EM technology is still in its childhood, but we believe it has a bright future. The advantages are obvious when combining it with seismic and the output results provide decision-makers with a very good platform for decision making. OHM had a good concept but the company was too small to stand alone. Both the continuous technology development and market penetration are cost intensive. A merger with the market leader EMGS was a very logical thing to do", says ship owners Johan Hvide and Lars Helge Kyrkjebø.

The transaction took place in late August 2011, but the dialogue between the two companies did not start until early in the spring this year. "The deal implies that our two specially designed survey vessels, OHM Leader and OHM Express, will be engaged by EMGS. OHM Leader is in Singapore and is already being adjusted to fit the equipment EMGS uses. We



Processing capacity: In Trondheim EMGS has access to a vast computing capacity.

have started to staff up the vessel and it will be in operation in December."

EMGS (See next page) has a clear strategy for growth. The company has orders booked for some USD 200 million and the market seems to have opened its eyes to the benefits EMGS can deliver to clients. Before the merger, EMGS had only three ships. With OHM Leader and OHM Express, they will have a total fleet of five specially designed vessels which will give EMGS a considerably improved capacity. According to Hvide and Kyrkjebø: "As seen from the industry and also from our point of view, the acquisition where EMGS took over OHM Surveys is an example of how you can gain operational, technological and economical benefits by joining the forces of two parties."

After the acquisition, Seatrans will own 2 per cent of the shares in EMGS which is a company worth about USD 350 million on the stock exchange. EMGS is a Norwegian company with headquarter in Trondheim. The company is listed on the Oslo Stock Exchange (ticker EMGS). The stock market reacted very positively to the news of the merger between the two companies. (www.emgs.com)

EMGS

– the leading company in the CSEM industry

In 2002, EMGS was the first company to successfully apply marine CSEM technology to the search for hydrocarbons (see more information in the facts square). Since then, EMGS has successfully commercialised the technology and turned it into an effective exploration method. When used correctly, the client can significantly increase drilling success rates. EMGS' customers will benefit from the acquisition of OHM Surveys through the considerable organisational, operational and technological synergies between the two companies.

Measuring wellbore resistivity has been a fundamental formation evaluation tool since the 1920s. Marine CSEM surveying uses the same principles to map resistive bodies, such as commercial-scale hydrocarbon reservoirs, from the seabed. This makes it a perfect partner for seismic techniques, which provide structural information. Together, and with other subsurface information, these methods form a powerful set of exploration tools.

The technology

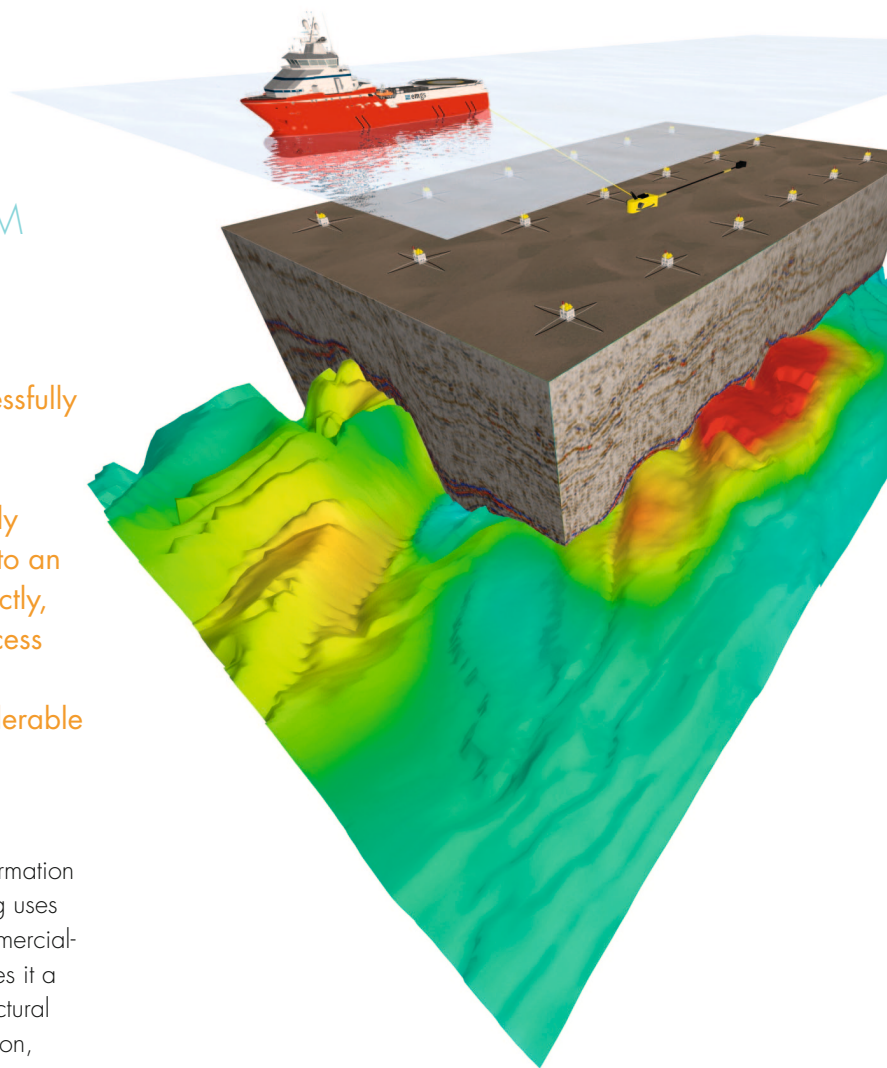
In CSEM surveying, a powerful horizontal electric dipole is towed about 30 m above the seafloor. The dipole source transmits a carefully designed, low-frequency electromagnetic signal to the subsurface.

EM energy is rapidly attenuated in conductive sediments, but it is attenuated less and propagates faster in more resistive layers such as hydrocarbon-filled reservoirs.

Grids of seabed receivers measure the energy that has propagated through the sea and the subsurface. Data processing, post-modelling and inversion are performed to produce 3D resistivity volumes. These datasets are integrated with other subsurface information to enable you to make important drilling decisions with greater confidence.

Experience

EMGS has conducted over 500 surveys to reduce exploration risk and improve drilling success rates across the world's mature and frontier basins – in water depths ranging from 32 to 3449 metres for a range of exploration and production companies. EMGS' services have helped national oil companies, majors, independents and national regulators to:



Schematic view of a controlled source electromagnetic (CSEM) survey. A horizontal electric dipole (HED) is towed above receivers that are deployed on the seafloor. The HED emits a continuous EM signal which is recorded by the receivers.

- Provide early indications of hydrocarbon prospectivity in frontier areas.
- Find bypassed and satellite fields in mature areas.
- Test and rank seismic prospects.
- Prioritise drilling locations.
- Improve delineation of reservoirs.
- Better understand geological features such as salt, basalt and carbonates.

The unrivalled experience and clear technological advantage have given EMGS a broad experience in processing and interpreting EM data very efficiently; probably better than anyone else in the industry.

OHM Leader

converted for EMGS

At a Singapore shipyard, the vessel "OHM Leader" is being transformed into "EM Leader". The vessel is to be fitted with new and more sophisticated electromagnetic equipment but lacks space. This resulted in the decision to rebuild the aft deck.

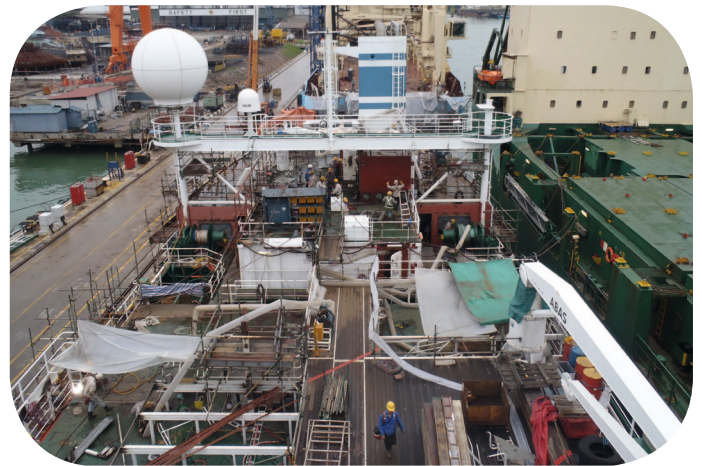
"The equipment for the company EMGS takes up more room than the OHM setup. EMGS also wants to have a complete backup set of equipment on board – one to be operated from the starboard side and one from the port side, if necessary. To make space, we have moved the emergency generator room and fuel tank to a new section on the aft top deck. We have also expanded the work shelter area forwards with new steel

sections on both sides of the aft deck superstructure. To allow us to install all the new steel and 11 EMGS containers on deck, we had to make a tank out of the old gym room. A new and improved gym will be installed in two other containers under the helideck – with views of the sea. But all the steel work, moving the fuel tanks and generators requires a lot of work with cables and tubes. Even if the yard people work very hard, it takes time to get all these things in good shape and order," Technical Superintendent Tommy Liljebäck explains.

The rebuilding started in late September and will be completed mid November. OHM Leader was renamed "EM Leader" on 3 November. The equipment for EMGS was installed by 17 November. Tommy goes on to tell us that: "The vessel will be ready for exploration work in December. The crew is ready when the client is." Tommy is the on-site inspector but receives plenty of assistance from the home office in Bergen. "Leif Larsen was here and negotiated a very favourable deal with the shipyard, and the crew have really helped us complete this operation. It is a very intensive process with extremely long working hours. But our ambition is clear: We will be ready before the charterer EMGS needs the vessel," Tommy concludes.



Brand new: With the new EM Leader name painted on her hull, she is soon ready for new exploration assignments.



More space: EMGS run their exploration vessels with double sets of electromagnetic sonar and other special equipment for their operations. EM Leader now has enough space to store all this equipment.

4 on board

1. How do you feel about the plans to cooperate with EMGS?
2. What does your day look like?
3. Any wishes and plans for the future?

Rafael Skwierawski – 2nd officer

1. I am happy to see that we will be going into operation soon. I trust EMGS to be a good and high quality company to work with.
2. Lately when the ship has been idle it has been quiet on the operational side. However, we are focusing on keeping the ship in good shape. Also, when at anchor, we maintain watches on the bridge so we are fully occupied.
3. I'm looking forward to see the EM ships operating again



Tomasz Gesiarz - Chief Cook

1. As with all, I'm happy to learn that the ship will be operating again.
2. We all need to eat whether the ship is sailing or not. So basically my the same. Keeping my colleagues happy is my job.
3. Wages?



Leszek Wilczewski - AB

1. All I know is that we will be back in operation. I look forward to learn more as things develop.
2. The climate is very hard on the ship. We spend most of the time maintaining the ship. We have spent a lot of effort keeping her as good as she is today.
3. I hope for longer contracts. 5/5 is a little short. I'd like to work more.

Mircea Focan Stefanescu - Messmen

is a good colleague; he agrees with the AB.



New offices

By coincidence, Seatrans has set up new offices simultaneously in Poland, Romania and (soon) in Bergen. Poland started the ball rolling.

Poland – in a villa



In Gdynia, the Seatrans office has moved to a beautiful villa outside the city centre.

The address for the new office is:
Seatrans Crewing AS Ltd
(from www.seatrans.no)

Prostokatna 5A
81-601 Gdynia, Poland
Phone: +48 58 72 82 800 (switchboard)
Fax: +48 58 72 82 813
E-mail: poland@seatrans.nois



The ground floor has a reception area, offices for the crewing personnel and technical department, kitchen with dining table and bathroom with shower.



On the 1st floor they have a conference room, GM office and a bathroom with another shower. It can get hot in Poland.

Romania – waterfront location



In Constanta, Seatrans has moved to Stefan cel Mare Street. The office is very close to the sea.

The address for the new office is:
Seatrans Romania

128 Stefan cel Mare Street, Bl.F1, Mezanin
900178 - Constanta, Romania

Phone: +40-241-551331/ 552331
+40-341-416800/ 416801

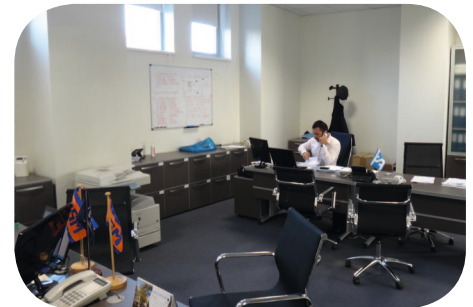
Fax: +40-372-879621is



There is a lobby where applicants can sit and wait until it is their turn to be interviewed or tested.



Camelia Paraschiv works as an Accountant and helps with salary and paying bills.



At the office you may also meet Ionut Paris, but be warned: Before you know it, he will have you booked up for duty for the next few months.

Refurbishment in Norway

In Bergen, the Seatrans head office has been expanded. The extra square metres will be opened for office use by the New Year.



There has been a lot of mess and dust, and it can't have been easy working here at the same time as Bob the Builder.



... but the result looks great from the outside.



Good chemistry

Seatrans Chemical Tankers and Shell Chemicals renew relationship.

In late September 2011, the negotiations with Shell Chemicals were concluded resulting in an agreement to prolong the long relationship between the two parties.

"We are very pleased that Shell Chemicals has renewed trust in us to cover their chemical contract portfolio", says Managing Director Jan H. Johansen from Seatrans Chemical Tankers (SCT). "The contract includes transportation of various chemicals between North West Europe and the Mediterranean Sea in both directions. The contract commitment has been concluded in cooperation with Essberger who already has handled part of the contract after they purchased UCT earlier this year. The two carriers will share the contract pretty much on a 50/50 basis", Jan Johansen explains. "We are talking a total period of four years from 1 October 2011."

"We are also pleased to advise that the terms agreed on are to all three parties' satisfaction. The adjustments made in the terms and in the cargo distribution are beneficial and represent one of the foundations needed to further develop our fleet and our trade between the Continent and the Mediterranean Sea", Johansen concludes.

Facts

- Shell is a leading producer of sophisticated chemicals such as styrene monomer, olefins, solvents, glycols, aromatics, alpha olefins/detergent alcohols.
- Seatrans Chemical Tankers has collaborated with Shell since the autumn of 2003 when we signed a long-term contract in cooperation with UCT; a collaboration that has remained active ever since – also after the shipping company Essberger in Hamburg bought UCT earlier this year.
- The total quantity is expected to be between 300,000 and 500,000 metric tons per year.
- The new contract with Shell will be shared on a 50/50 basis with Essberger.
- Shell Chemicals ship 25 to 30 different products on a regular basis on 12 different routes between North Europe and the Mediterranean.
- Due to the logistic complexity, it has been a good solution to cooperate with another chemical tanker operator to satisfy Shell's needs during the last eight years.
- The contract includes Shell's ports in the UK, Holland, Belgium, France, Spain, Italy, Egypt, Turkey and Greece.
- A typical shipment from Rotterdam to Turkey and Greece contains up to 16 different chemicals. This requires sophisticated treatment and also experienced personnel both onboard and ashore.

All photos: Shell.com



Jubilees and pensioners

Some of us have the privilege of having a long-term relationship with our employer. This is also true in Seatrans, where loyal sailors were presented with a well-deserved gift for 25 years in duty. Others are now entering a new period in life as pensioners and we wish them all the best!

The gold mark of merit has been awarded to:

| Gold | |
|----------------------|----------------|
| Name | Rank |
| Bjarne Augestad | Master |
| Geir Hepsø | Master |
| Svein Holmås | Master |
| Kjell Harry Jakobsen | Boatswain |
| Jan Peltter Kolset | Chief engineer |
| Roald Ringdal | Master |
| Atle Rong | Chief engineer |
| Arnfinn Arntzen | Master |



| Going into retirement | |
|----------------------------------|----------------|
| Name | Rank |
| Kjell Helgesen | Electrician |
| Nils Harry Hernes | Chief engineer |
| Jørn Otto Kaik | Chief engineer |
| Svein Holmås | Chief engineer |
| Svein Midtbø (not in photograph) | Chief engineer |



New colleagues in Bergen



Alisa Larsen



Henning Rebnor



Jan Roger Fauskanger



Sondre Skoglund



Torstein Alvestad

On right course in 2012

The Seatrans course administration is now located in Poland, and from the office Gdynia we can inform our seafarer readers about the Course Plan for 2012 (below). For detailed information, please contact Seatrans Poland or your Captain onboard.

January Chemical Cargo Operation Management
February Pumpman and Cooking courses
March Seatrans Ship Management Course 2
April Chemical Cargo Operation Management

October Seatrans Ship Management Course 2
November Seatrans Ship Management Course 2

There will also be held two FRAMO courses, one during spring and one in the autumn.

Dates depend on candidate availability and FRAMO readiness so dates will be announced 4 weeks before course date.

Additionally, there will be as much as six Seatrans Rating Safety Courses and these will be arranged in Croatia, Poland and Romania (2 courses in each country). Dates are depending on number of candidates and instructor availability. Dates will be announced 4 weeks before course date.

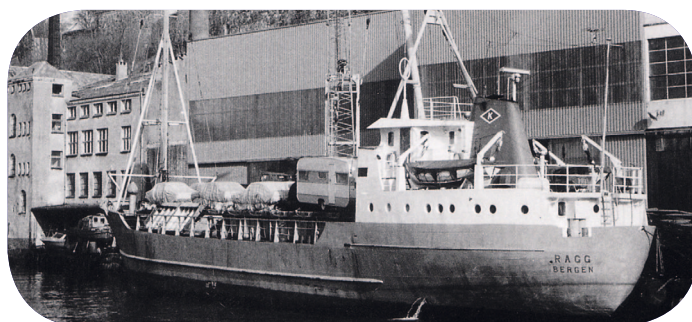


Intertrans, Samtrans, Intership or Marina Shipping? No the name became

Seatrans

The October 10th 1970 Seatrans was born. But the new shipping company was not put in business before January 1st 1971. That is 40 years ago. There were a number of names suggested for this new-coming, but it ended with Seatrans. It is easily to spell, to pronounce and it gives immediate associations to what business it's in.

The two managing directors Wollert Hvide and Bjarne Kyrkjebø agreed upon a two track management model. Mr. Hvide focused on the industrial trades, new buildings designed for transport of Euro-pallets and financing, while Mr. Kyrkjebø



M/S Ragg, one of 13 ships in the Seatrans fleet in 1971, at the port in Bergen loaded with cars and even a camping-car on the deck!

mainly took care of the transportation of cars (the Company had an important part in supplying the Northern part of Norway with cars), the 500 tons vessels and the maintenance and new building departments. The Company moved to "down town" Bergen at Rådstuplass where the Company was organised in a modern and efficient way. At the start in 1971 Seatrans controlled 13 vessels.

Anniversary

50 years

Capalija, Branko 18.10.2011
Geir Hepsø 14.06.2011
Jurlin, Ivica 14.08.2011
Petcu, Petre 20.07.2011
Serban, Gheorghe 02.10.2011
Skibola, Predrag 03.07.2011
Vladila, Vasile 03.07.2011
Wodkowski, Jerzy 26.08.2011

60 years

Aamowski, Wojciech Kazimierz 07.07.2011
Charlampowicz, Wieslaw 02.07.2011
Struzik, Ryszard 21.12.2011

In a second a wonder may happen. As here while Trans Dania passes Stadt – the most western point in Norway. Here the weather can be extremely rough while in nice weather it takes three hours to cross this passage from Måløy. Photographer: Trond R. Nilsen, Master on Trans Dania, July 14th 2011 with the vessel's Sony digital camera.

