



15th May 2019

TRADE ADVISORY ON BUNKER ADJUSTMENT FACTOR 2nd UPDATE

This is a follow-up on our BAF announcement that was shared on 20th November 2018. Please refer to https://www.x-pressfeeders.com/BAF_IMO2020.pdf

As we draw closer to 1st January 2020 whereby we will convert fully to Compliant Fuel with a maximum sulphur content of 0.5%, we wish to share with you an extract of BIMCO recent report. This report gives an advisory on **Fuel Transition** from non-compliant fuel to compliant fuel so as to ensure that operators will be able to meet the 1st January 2020 deadline. If you are a subscriber, you can refer to <https://www.bimco.org/authentication/members-only?returnUrl=%2fships-ports-and-voyage-planning%2fenvironment-protection%2f2020-sulphur-cap>. An extract of the content on the report is as below:-

Quote

BIMCO 2020 Fuel Transition Clause for Time Charter Parties

(a) Definitions

For the purpose of this Clause:

“Carriage Ban Date” means 1st March 2020.

“Carriage Ban” means the prohibition of the carriage for use of Non-Compliant Fuel as of the Carriage Ban Date.

“Compliant Fuel” means any fuel that meets the Sulphur Content Requirements with effect from the Effective Date.

“Effective Date” means 1st January 2020.

“Non-Compliant Fuel” means any fuel with a sulphur content of more than 0.50%.

“Sulphur Content Requirements” means any sulphur content and related requirements as stipulated in MARPOL Annex VI (as amended from time to time) and/or by any other applicable lawful authority.

(b) Requirements

(i) Before the Effective Date, the Charterers shall have supplied the Vessel with fuel so that on the Effective Date, the Vessel shall have sufficient Compliant Fuel to reach the nearest bunkering port where Compliant Fuel is available.

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(ii) No later than the Carriage Ban Date there shall be no Non-Compliant Fuel carried for use by the Vessel.

Together sub-clauses (b)(i) and (ii) are the "Requirements".

Notwithstanding the Carriage Ban, Owners and Charterers shall cooperate and use reasonable endeavours so that no later than the Effective Date there shall be no Non-Compliant Fuel carried for use by the Vessel.

(c)(i) In order to meet the Requirements, the Charterers shall at their risk, time and cost ensure that any Non-Compliant Fuel remaining on board after the Effective Date shall be discharged from the Vessel's bunker tanks until such tanks are free of liquid and pumpable fuel latest by the Carriage Ban Date or the redelivery date of the Vessel, whichever occurs first; and

(ii) in respect of the bunker tanks that are free of liquid and pumpable fuels, Owners shall at their risk, time and cost ensure that such tanks are fit to receive Compliant Fuel, taking into account the type of Compliant Fuel that will be loaded into such bunker tanks. Compliant Fuel shall not be loaded into a Vessel's bunker tanks until the steps described above in sub-clauses (c)(i) and (c)(ii) have been carried out in respect of such bunker tanks.

Once bunker tanks are fit in accordance with sub-clause (c)(ii), no Non-Compliant Fuel shall be loaded into such bunker tanks.

(d) Disposal of Non-Compliant Fuel - *In respect of Non-Compliant Fuel, if any, which needs to be discharged from the Vessel in accordance with sub-clause (c)(i), Charterers shall dispose of such fuel in accordance with any applicable local regulations at Charterers' risk, time and cost.*

(e) Segregation - *Unless otherwise agreed between Owners and Charterers, each supply of Compliant Fuel shall be bunkered into empty tanks within the Vessel's natural segregation.*

Unquote

As such, vessels' bunker tanks will have to be cleansed thoroughly and be ready to accept compliant fuel much earlier than 1st January 2020. For X-Press, the date on our transition from HFO to compliant fuel and also when we will start the recovery of this increase in fuel prices will be announced in early October 2019.

We thank you for your understanding and support in our effort to push for Clean Shipping.

Best Regards,
X-PRESS FEEDERS

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