UPDATE

Schoeller Holdings | Austral Asia Line | COLUMBIA

1.14

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EDITORIAL

Dear Reader,

This is to introduce our quarterly update on topics and events happening within Schoeller Holdings, Austral Asia Line and COLUMBIA. The objective is to provide you with insights into our activities around the world – focussing primarily on ship management and related services, liner services, shipping agencies plus our own fleet

You will meet key members of our management teams ashore and onboard ships', learn about the efforts we take to always keep our customers satisfied and how that translates into day-to-day operations.

As this publication is a first for us, we welcome your feedback.

Yours sincerely
Demetris Chrysostomou
Marketing Director . COLUMBIA Shipmanagement

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"Adopt a Ship"

To introduce and promote the shipping industry at local schools the Cyprus Shipping Chamber in close cooperation with the Cyprus Marine Environment Protection Association started the "Adopt a Ship"-campaign in 2006.

Its objective is to give pupils a taste of life onboard by establishing contacts between ships and schools. COLUMBIA Shipmanagement has been involved in this campaign from the very beginning and each year allocates five or six ships to participating schools. Feedback from the pupils is very positive and interest in the shipping industry is growing.

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Dirk Fry Andreas Hadjipetrou

Maurice Baker Eddie Bucknall

Duncan McLennan

Changes in Senior Management

t the end of 2013, we saw major changes in the management structure of COLUMBIA in Cyprus.

Mr. Dirk Fry, our Managing Director for the past 33 years, who played a very significant role in building-up the company and its reputation, reached the age of retirement. He handed over his duties to Mr. Andreas Hadjipetrou for commercial matters and Mr. Maurice Baker for operational matters. Mr. Fry will, however, continue to work for COLUMBIA on a consultancy basis and represent the company at international shipping bodies, such as BIMCO and others. He will also assist in the marketing of COLUMBIA.

Mr. Hadjipetrou, BSc MBA, joined the company in 1996 and served as a Senior Accountant and later Commercial Manager before he moved to COLUMBIA Hamburg in 2006 to take over the role of Financial Director. He returned to Cyprus in 2012 to take up the post of Deputy Managing Director.

Mr. Maurice Baker, Master Mariner, joined the company in 1999 and served as Operations Manager before he moved up to the position of Marine & Operations Director in 2007.

In addition, Mr. Eddie Bucknall, our Technical Director, who has been with us for more than 22 years, retired at the end of December. In shipping circles he is very well known for his outstanding engineering and technical knowledge and experience. I am very pleased that he will also continue to assist the company with project work on a consultancy basis.

Mr. Duncan McLennan, who joined the company in July 2013, succeeds Mr. Bucknall. Mr. McLennan, B.Eng C.Eng, is a Chartered Marine Engineer and has served in various senior positions within Classification, Ship Owning and Ship Management Companies, most recently as Vice President Technical within the Marine Transportation Division of an International Energy Conglom-

erate. He has extensive experience in vessel operation, new construction and special projects.

At COLUMBIA in Singapore there also was a change. Mr. Demetris Chrysostomou, the Commercial Managing Director for the last six years has returned to Cyprus to take over as Marketing Director of the COLUMBIA companies. Captain Andreas Xapolytos who has been with COLUMBIA for 24 years and has recently completed his term as Managing Director of Tsakos-COLUMBIA Shipmanagement in Athens replaces him in Singapore.

Last not least, I am very happy to welcome Mr. Wolfgang Harms at Austral Asia Line. He is the new Deputy Managing Director and representative of greater China in Shanghai.

Heinrich Schoeller Chairman J P D A T E 1.14 PAGE 3



AAL Newcastle

Schoeller Holdings major newbuilding plan completed

ith the delivery of 'AAL Newcastle' in February 2014, Schoeller Holdings successfully completed its vast and long term newbuilding business plan. This sparks a new era for the company as the last time Schoeller Holdings had no order in a shipyard was more than two decades back.

This 10 year old cycle of newbuilding activity for the company, included the building of a total 76 vessels. The orderbook consisted of 37 container vessels ranging from 1,200 to 2,800 teus, 25 tankers ranging from chemical carriers to handy, Panamax and Aframaxes, 2 Bulk carriers, and 14 heavy lift multi-purpose vessels of 19,000 and 31,000 dwt.

Some of these new vessels were sold whilst the rest replaced the older tonnage. This led the company to currently having a diversified new modern fleet of vessels, with competitive advantage offered to the shipping markets.

AAL expands both in fleet size and footprint

ustral Asia Line (AAL) takes delivery of "AAL Dalian" in November 2013 and "AAL Newcastle" in February 2014. Following these deliveries, AAL takes over entirely the Schoeller Holdings' multi-purpose fleet of 14 heavy lift vessels with lifting capacity of 700 tons; 10 A-Class vessels of 31,000 dwt, and 4 S-Class vessels of 19,000 dwt. Both types are ideal for transporting a diverse range of cargo including heavy-lift and project cargoes, traditional breakbulk, earth moving equipment, wind turbine components and floating cargo such as boats and yachts. The vessels are also classified to carry dry parcels such as grain, mineral concentrates and other loose commodities.

AAL currently operates three dinstictive liner services in the Asia and Oceania region, as follows:

- North Asia to East Coast Australia and New Zealand
- North and South East Asia to West Coast Australia
- North Asia to Canada and United States West Coasts

The latest additions of newbuilds combined with third party charter tonnage, gives AAL's tramp/project division the hardware and ability to expand AAL's footprint globally. With an operating tonnage of close to 450,000 dwt, escalating in the top ten list of operators by size of fleet, AAL becomes an additional reliable partner participating in the fast growing energy & projects industry.



Andreas Hadjipetrou and Lutz Weber of NSB commend the teams in Manila for their outstanding efforts.



COLUMBIA raises USD 300,000 typhoon aid

OLUMBIA Shipmanagement is providing employment to more than 8,000 Philipine seafarers. Some 800 families of crew members were affected by the typhoon "Hayian" that struck the Philippines in November 2013. COLUMBIA staff members in Manila immediately mobilised all resources available to contact the

families and inquire about their well-being. Eventually, all families could be contacted and crew members informed. COLUMBIA, many clients and employees onboard and ashore raised and donated more than USD 300,000 to trustee accounts to provide help and assistance to crew members and families in need.

AAL receives ISO 9001:2008

In January 2014 AAL was accredited with ISO 9001:2008 from Germanischer Lloyd (now DNVGL). Managing Director Namir Khanbabi pointed out: "This achievement has

been realised through great efforts on behalf of all the respective teams in Singapore, Brisbane and Shanghai and I would like to thank everyone for their part in this important milestone for the company. Our next objectives are to achieve ISO 14001 and ISO 18001 to be in line with the accreditations of COLUMBIA."

UPT broadens its operational base

nited Product Tankers (UPT) is an international shipping company specialised in providing commercial and pool management services to the tanker shipping industry. In addition to its offices in Hamburg, Germany and Stamford, Connecticut, UPT has established a new company in Limassol, Cyprus, namely, UPT United Product Tankers Ltd. The new office started operations in January 2014, with the employment of 20 qualified and experienced personnel. UPT Cyprus will provide post-fixture operations as well as financial and accounting services for the fleet under management.

UPT currently manages a fleet of 50 vessels and operates two pools of modern, double hull product tankers. The UPT Handy Pool comprises 30 Handysize vessels (33,000 to 39,000 dwt)whilst the UPT Panamax Pool consists of 10 long range Panamax vessels (73,000 to 75,000 dwt). The company's tonnage providers are shipowners and financial institutions mainly from Germany, Cyprus and Singapore.

UPT's cargo customers include the major oil companies, all major commodity traders and a vast number of large and mid-size oil and commodity trading companies. UPT tankers operate predominantly in the Atlantic Basin, the Americas and across Europe. Cargoes range from gasoline, naphta, gasoil, condensate and fuel oil to MTBE and many other grades.



AMVER awards for CSM vessels

U.S. Ambassador
John M. Koenig
congratulates
Maurice Baker,
Managing Director
of COLUMBIA
Shipmanagement.



he U.S. Embassy in Nicosia, in cooperation with the Cyprus Shipping Chamber and the Cyprus Marine Environment Protection Association, organised an awards ceremony in November 2013 to recognise shipping companies participating in the U.S. Coast Guard's voluntary Automated Mutual Vessel Emergency Response System (AMVER) program.

AMVER is a computer-based voluntary global ship reporting system used worldwide by search and rescue authorities to arrange for assistance to persons in distress at sea. Prior to sailing, participating ships send a sail plan to the AMVER computer centre. Vessels then report their position every 48 hours until arriving at their port of call. In an emergency any rescue coordination centre can determine the relative position of AMVER ships near the distress location and divert the best suited ship or ships to respond.

COLUMBIA Shipmanagement Ltd. received awards for quite a number of vessels under its management.

A tanker inspection every 37 hours

ne of the worst things that can happen to ship owners, charterers and ship managers is a tanker casualty like the ones of EXXON VALDEZ, ERIKA or PRESTIGE. Further to the damage done to the environment and the repercussions for local tourism both the reputation and the commercial success of the parties involved can be at stake. In order to reduce the casualty risk to a minimum the Oil Majors and their industry representative body the Oil Companies International Maritime Forum (OCIMF) have developed a vetting process for tankers.

In-depth assessment

Vetting can be defined as follows: "to subject somebody or something to a careful examination or scrutiny, especially when this involves determining suitability for something." In our business tanker vetting means an in-depth assessment of both the ship and the ship manager's qualities and suitability for chartering the vessel in question for a specific voyage.

What started in the early 1990's as a formal inspection conducted by specially trained inspectors has grown into a well-structured and detailed process. The latest initiative is the Tanker Management Self Assessment (TMSA) scheme that was introduced in 2004. Its objective is to give guidance on best industry practice and encourage ship operators to achieve the highest standards of ship management through continuous improvement. Since its launch COLUMBIA Shipmanagement is actively involved in this scheme.

234 SIRE inspections during 2013

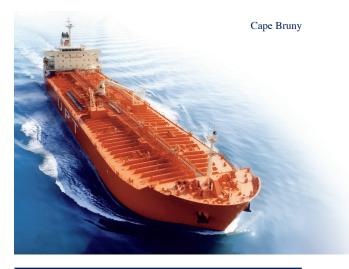
During 2013 our tanker fleet underwent 234 SIRE inspections, (see details on the right hand side) which equates to one inspection every 37 hours and 2.6 inspections per ship. In addition experts from BP, Chevron, OMV, P66, Shell and TOTAL visited CSM offices to assess our reputation and management.

The vetting process also includes analyses of

- Vessel incident history and statistics
- Port State inspection performance and history
- Commercial and oil terminal feedback on vessel performance

• Classification society structural inspections and reports.

For CSM the vetting process is an opportunity to show its dedication to follow best industry practice and to continuously improve its health, safety and environmental performance.



SIRE - Ship Inspection Report Programme

SIRE is a safety initiative introduced by OCIMF in 1993. The SIRE programme is a unique tanker risk assessment tool of value to charterers, ship operators, terminal operators and government bodies concerned with ship safety. Since its introduction, more than 180,000 inspection reports have been submitted to SIRE. Currently there are over 22,500 reports on over 8,000 vessels for inspections that have been conducted in the last 12 months. On average Programme Recipients access the SIRE database at a rate of more than 8,000 reports per month.

SIRE has established itself as a major source of technical and operational information to prospective charterers and other programme users. Its increasing use corresponds with oil industry efforts to better ascertain whether vessels are well managed and maintained.

For more information click here: www.ocimf.com/SIRE/introduction