

LNG: From niche market to
booming business segment

Greece: Diversification with
emerging industry trends

Bernhard Schulte enters the
maritime start-up ecosystem

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Welcome



Together with the editorial team, it is my great pleasure to present the first issue of BSM Highlights in 2019 to our customers, business partners and colleagues.

In the Opinion Piece, our colleagues Felix Leggewie (Chief Operating Officer, Bernhard Schulte), William Watts (LNG Project Engineer, Bernhard Schulte), Angus Campbell (BSM Director, Energy Projects) and Tim Mauersberger (Business Analyst, Bernhard Schulte) share their views on the role of LNG in creating business opportunities and shaping our energy future.

In a similar vein, we are happy to announce that Schulte Marine Concept (S.M.C) has signed an agreement with Prime Marine Energy to provide supervision and technical support for the construction of a Floating Production Storage and Offloading hull.

Elsewhere in corporate developments, the Schulte Group acquired majority stakes in Yachting Partners International Crew, an Antibes-based world-leading yacht crew recruitment agency, and in TecHullClean, a Singapore registered underwater inspection, repair and maintenance technology company. Also, a joint venture has been signed between BSM and BCD Travel for specialised, dynamic and highly responsive global marine travel services.

A new initiative of Bernhard Schulte, INNOPORT, a dedicated venture capital unit, is introduced in this issue. With an ever-increasing demand for consultancy services for third-party customers in the maritime sector, BSM has launched Hanseatic Maritime Advisory Services (HMAS), to cater to

such needs. These developments will allow the Group to further expand its suite of offerings to our customers.

The Country Profile focuses on BSM Greece's commitment to diversifying its services to differentiate itself from its closest competitors in view of emerging industry trends, such as LNG marine fuel adoption. It explores how BSM Greece stays relevant to shipowners' crewing needs through on-going recruitment and training efforts. Complementing this, in the Customer Profile we are delighted to share a testimonial from Naftomar, with whom BSM Greece has had a relationship with for over 25 years.

For the Seafarer Profile, we feature Chief Officer Krzysztof Sochacki and the highlights of his 17+ years of service with BSM, which include the transition from LPG to LNG.

On the technology front, MariApps' Sankar Ragavan, Schulte Group Chief Digital Officer, talks about the increasing uptake of digital solutions by the maritime industry and the benefits to shipowners.

Finally, we present Chris Clucas receiving a 'Lifetime Achievement Award' at the 2018 LNG World Shipping Ship/Shore Interface Conference in London; Kristina Rittgerodt of BSM Germany, who offers candid advice to women considering a career in the maritime sector; the first global event under BlueSeasMatter 'small act, BIG IMPACT', which will engage all employees on Earth Day and World Ocean Day.

We hope you enjoy reading Highlights!

Ian Beveridge
Schulte Group CEO

LNG: From niche market to booming business segment

With population growing and quality of life improving, the demand for energy is rising. By 2070, the world is likely to be using at least 50 percent more energy than today. At the same time, countries across the world intensify their efforts to tackle climate change and poor air quality.

Liquefied Natural Gas (LNG) is becoming more and more important as a source of energy supply, not least because technological innovations have provided new options for trading this fuel. In particular, LNG vessels have proven to be a safe and efficient transport option. This development has boosted the role LNG plays in the energy mix across the world and changed the trading environment tremendously: What was once a niche market has developed into a commodity trade, replacing other fossil fuels for transportation and energy supply more and more. How can the industry cope with those changing conditions? BSM is ready to provide some thoughts.

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Shaking up the energy mix

Felix Leggewie, COO of Bernhard Schulte, illustrates the magnitude of the current change, “In March 2019, the number of LNG liquefaction projects under construction amounted to 22, with a total output of 97 million tonnes

per year. The necessary transport capacity for the projects currently under construction is estimated to be 147 large LNG carriers.”

In addition, there are currently 37 projects with an aggregate annual output of 250 million tonnes in the Front End Engineering and Design (FEED) phase. The envisaged starting-up period lies between 2019 and 2028. To deliver the total quantity of LNG produced if all projects currently in FEED status come on line, it is calculated that an additional fleet of 270 vessels will be required. And there are another 66 projects in planning, which have not yet reached the FEED phase.

Even if not all projects materialise, natural gas is set to overtake coal as the second-largest fuel in the global energy mix by 2030, according to the International Energy Agency (IEA).

Fuelling global trade

In addition to being a traded commodity, LNG is becoming a preferred fuel for the world’s merchant fleet, especially driven by the International Maritime Organization’s (IMO) Sulphur 2020 rules, which are set to substantially cut sulphur oxide emissions from January 1, 2020.

William Watts, LNG Project Engineer at Bernhard Schulte, explains, “LNG is still a fossil fuel, but compared to other fossil fuels in use, it is the one with the cleanest exhaust gas components. There are no SOx or particulate matters and it features reduced NOx. LNG also has the lowest CO2 content compared to other fossil fuels.”

Angus Campbell, Director Energy Projects at BSM, elaborates, “As anticipated, newbuildings are responsible for the majority of LNG-fuelled fleet growth. As the IMO Energy Efficiency Design Index (EEDI) requirements become tougher for shipyards, the attraction of a cleaner fuel will increase significantly.”

The small-scale LNG sector is developing in a complimentary way to the large-scale industry. As natural gas develops into a fuel of choice for industrial consumers, smaller distribution methods are needed. Angus believes that this will predominantly be focused



Felix Leggewie, COO of Bernhard Schulte



William Watts, LNG Project Engineer at Bernhard Schulte

on areas disconnected from gas grids. “A further area of specialisation is developing in bio-LNG and clean LNG, driven by regulation designed to encourage efficiency aligned with carbon pricing. We are looking for opportunities in this area as demand develops,” he adds.

A bridge to the future

Tim Mauersberger, Business Analyst at Bernhard Schulte, sums up the future of LNG, “Natural gas is an ideal bridging fuel for the next 20 to 30 years, due to widespread availability and established reserves. It will eventually be replaced by energy sources currently in development, such as battery technology, hydrogen technology and sustainable energy sources including wind, solar and bio fuels when they reach commercial availability.”

Whilst the IEA has argued that the industry might be facing the risk of insufficient supply of vessels to meet market demand for LNG, BSM holds the opinion that there will be a wealth of newbuildings.

Felix illustrates, “Currently, there are about 140 LNG vessels under construction, mainly of large size. Based on experience and the fact that ships are currently being ordered indiscriminately again, whilst terminal projects usually come into service with a delay, we expect an initial oversupply of ships. However, this will slowly balance out.”

History repeating itself?

Angus adds, “History would suggest that our industry will not be able to resist the temptation to overbuild. If

this happens in the large-scale LNG sector, earnings will come under stress and we will enter the cyclical boom and bust market that has endured for many decades in other sectors. If we can enforce more discipline, by accident or design, market balance is possible. On the small-scale LNG side, opportunities will be less commoditised, with ships dedicated to supporting specific projects. This, in turn, may maintain a reasonable balance on rates.”

As the LNG fleet is seen as a premium business opportunity at the moment, ship owners do not appear to be reluctant to invest. Major LNG projects tend to secure tonnage to meet their needs on long term charters. Given the excellent counterparty risk offered by such charterers, BSM thinks it is unlikely that the supply will be insufficient.

“This is reflected by the increasing number of enquiries for OPEX offers and technical support we receive on a daily basis,” William adds.

The LCC – best in class service

To underline its commitment to servicing the LNG sector, the Schulte Group has established its LNG Coordination Centre (LCC). This newly formed unit draws on the expertise of BSM’s highly trained LNG specialists along with the support of all its Ship Management Centres (SMC). Furthermore, the professionals at Schulte Marine Concept provide in-depth knowledge when it comes to newbuildings or conversions. The LCC cooperates with all Schulte Group entities and collects actual operational

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Angus Campbell, BSM Director Energy Projects



Tim Mauersberger, Business Analyst at Bernhard Schulte

front-end experience for its clients, who gain a one-stop shop for all business aspects pertaining to LNG contracts. Once the management contracts have been signed, the LCC involvement would usually end and the client will be fully served by the SMC in charge.

BSM has established itself as the leading ship manager and service provider with profound expertise in the highly demanding LNG sector.

Recent BSM milestones pertaining to this industry are:

- The start of a joint venture in 2017 with Babcock International Group, the UK's leading engineering support services company, for small-scale projects such as LNG bunker vessels. This partnership combines the maritime expertise of the Schulte Group with the complex engineering expertise of Babcock International and focuses on clean energy projects across the LNG value chain, e.g. including terminal operations.
- The acquisition of the specialised LNG ship manager PRONAV at the beginning of 2018 by the Schulte Group.
- The management of the MV Kairos, the world's

largest LNG Bunker Vessel in service to date.

- In October 2018, the Schulte Group entered the LNG vessel owning and operating business with its JV partner, Mitsui & Co Ltd, with the delivery of *Marvel Hawk*, a 174,000 cbm LNG carrier.

The formation of the LCC complements these achievements and bundles BSM's expertise in an easily accessible way.

Felix explains, "We provide new and potential clients with top quality competent advice and support from the very beginning. They benefit from one centre of experts, where we realise synergies from across our Group."

The LCC provides its clients with a realistic OPEX budget and guidance on all aspects of their projects. This includes activities regarding the implications of charter parties, advice on obtaining the most advantageous class arrangements and compliance. Commercial, technical and crewing aspects are included as part of the service as well.

William highlights, "The LCC involvement further ensures a uniform approach to the customer, regardless of which SMC will finally manage the ship. This avoids internal competition and leads to an optimal usage of our LNG resources."

Safety first

Operating LNG vessels requires a maximum of safety and security measures as well as a high level of expertise – and most importantly it needs the right people to run and manage those ships.



“ We are well prepared to go
the extra mile ”

The LNG shipping industry has an enviable safety record. In its 54-year history there has never been a major accident or spill, a record that none in the other sectors of the shipping industry match. The vessels are considerably costlier to construct than those of other sectors. As a result, they are maintained to a very high standard and crewed with very competent staff engendering best in class performance.

Training for seafarers as well as shore-based staff is of vital importance for BSM. The Group features an impressive safety record in the LNG industry segment, not least through applying training, high-end technology and a strict maintenance regime. However, the company is not resting on its laurels. A crewing expert has been established as part of the LCC, and together

with BSM will introduce a cadet programme, training for new seafarers and pooling of LNG crew members.

Tim explains, “We’re already working on meeting the expected demand for skilled crew. Our Group has realised that considerable investment in the training of our crews is required to provide a pool of competent, well-educated officers and crew. This will entail onshore specialist training and parallel sailing of ranks to gain experience and matrix time. These measures will enable us to meet the ever-tightening requirements by authorities and oil majors and boost our gas pool roster.”

“Manning will be the determining factor of our future success in this expanding segment” Felix sums up.



Latest News

A Hawk enters the Bernhard Schulte fleet

On November 30, 2018, Bernhard Schulte's first LNG carrier, *Marvel Hawk*, with 174,000 cbm of LNG carrying capacity was delivered.

Marvel Hawk is jointly owned by Bernhard Schulte and BSM's long-term partner Mitsui & Co under the Comet Arrow Joint Venture. The vessel is under a fifteen-year time charter to Mitsui & Co's LNG trading arm and, as one of eight dedicated vessels, will carry LNG cargoes from the Cameron LNG facility in Hackberry, Louisiana, USA to various off-take terminals in Japan and elsewhere.

6 | As her seven sisters, the vessel is named after birds of prey endemic to the Cameron Parish, a wildlife refuge. 'Marvel' was the internal Mitsui & Co name for the Cameron project, but considering the vessel's special features, parallels to the superhero world of the Marvel comics can surely be drawn.

The *Marvel Hawk* has a twin engine, twin propeller, rudder redundant design, membrane type GTT Mark 3

containment system, Wärtsilä W6X62DF dual fuel engines capable of Tier II (Diesel Mode) as well as Tier III (Gas Mode), amongst many other features.

Due to the very firm LNG market, the vessel completed a non-operational SIRE inspection the day of delivery and went on hire only a few hours later. This was competently handled by the crew, the BSM British Isles takeover team, the onboard Training Superintendent and Bernhard Schulte's Fleet Management Department, who prepared the vessel well for this challenge.

With her delivery, six years of hard work and negotiations on specification, shipbuilding contract, charter party and plans as well as calculations have been converted into this fine vessel.

The vessel is under the command of Capt. Sinisa Milosevic and a crew of 28 members, under the full management of BSM British Isles.



Christening of *MV Kairos*, one of the world's largest LNG GSVs



innovative technology that provides environmental benefits and increases operational efficiency for its customers.

Equipped with Babcock's Fuel Gas Supply Vessel Zero (FGSV0™), *MV Kairos* will eliminate the release of boil-off and flash gas to the atmosphere during normal operations, providing an environmentally accountable fuelling alternative.

Nauticor, a leading provider of LNG for maritime customers, is chartering the GSV to serve marine customers in the North & Baltic Seas, namely the Klaipėda LNG fuelling station in Lithuania and the Linde LNG terminal in Nynäshamn.

With the christening of the world's largest Liquefied Natural Gas (LNG) bunker supply vessel, *MV Kairos*, on February 8, 2019, a truly historic ceremony took place on the River Elbe in Hamburg, Germany. The Gas Supply Vessel (GSV) is under the full management of BSM Germany.

The ceremony took place at the Hamburg Cruise Centre Steinwerder, with more than 250 guests witnessing the christening of the vessel by her godmother Annegret Kramp-Karrenbauer, Federal Chairperson of the Christian Democratic Union of Germany (CDU).

Owned by Babcock Schulte Energy (BSE), a 50-50 joint venture between Babcock International Group and BSM, the vessel has been developed using cutting-edge,

Present at the ceremony along with Dr. Heinrich Schulte, Chairman of the Schulte Group, Johann Schulte, Managing Director and Chief Commercial Officer of Bernhard Schulte and Ian Beveridge, Schulte Group CEO, were many other team members of the Schulte Group.

"We are happy to have found with Nauticor/Linde a reputable long-term partner for this innovative, high-tech vessel. We expect a growing market share of LNG as a bunker fuel in the years to come, and together with our joint venture partner Babcock, we feel well-positioned to further exploit the evolving opportunities of this market," said Ian.

The GSV development is co-financed by the European Union (EU) as part of the Blue Baltics-LNG infrastructure deployment in the Baltic Sea Region project.



BCD Travel and BSM sign joint venture agreement

BCD Travel, a leading travel management company, along with BSM joined forces to create a specialised, dynamic and highly responsive global marine travel service provider.

This joint venture offers additional value to clients through the synergies shared between the two companies, including:

- Comprehensive crew management applications and digital marine solutions developed through BSM's technology division MariApps, which make it easier and more efficient to manage seafarers' travel and logistic requirements;
- BSM's deep understanding of seafarer needs based on over 30 years of experience managing challenging crew changes and travel for seafarers, and a heritage of over 135 years in the maritime industry;
- A global network of wholly-owned offices and the ability to provide comprehensive travel management services at scale;
- Additional in-country servicing with marine expertise in key shipping locations around the world;
- Further access to specialised marine and offshore content;

- BCD's TripSource® powerful trip management platform, featuring itinerary management, relevant messages to travellers, safety information, and hotel booking functionality (when applicable by policy) to keep travellers engaged and organised;
- BCD's DecisionSource® analytics and intelligence platform, enabling maritime operations to gain insights and drive better decisions across both crew and corporate travel spend.

"Our new joint venture agreement with BSM not only brings specialised expertise in the maritime industry to our current and prospective clients, it allows both companies to utilise the best technology and service offerings available in their respective sectors—all at the optimal level of service and cost," said Stewart Harvey, BCD Travel President.

"Our new joint venture couples BSM's specialised technology and deep understanding of the needs of clients in the maritime industry with BCD's global scale and highly regarded corporate travel expertise, bringing to the market an unparalleled service offering," said Yiannis Sykas, BSM Director of Strategy and Product Development.



25 years of making our seafarers feel at home

There is perhaps no better way to break the monotony of a long ocean voyage and home-sickness than a wholesome and palatable meal.

Established on this belief, Seachef was incepted on April 1, 1994, as BSM's hospitality services division, to provide its crew, sailing across oceans far and wide, with quality catering and housekeeping services.

For Seachef, the main goal is to provide nutritious, safe and palatable meals and hygienic living conditions, with minimal involvement of the crew. The journey over the last 25 years has been challenging, but fully rewarding; from the first vessel with one nationality on board, to over 400 vessels with more than 40 nationalities on board.

Through 25 years of feedback and continuous improvement, Seachef has continued to evolve, achieving over 90 percent customer satisfaction yearly.

The fundamentals behind Seachef remain unchanged. Seachef continuously develops well-trained and professional hospitality staff through a stringent selection process.

Seachef also maintains the highest standards of hygiene and housekeeping practices, reduces unnecessary wastage by ensuring a minimal accounting and paperwork streamlined procurement process and provides its quality services at competitive prices to customers.

The success of Seachef could not be attributed to just a handful of people, but rather the collective efforts of a well-trained catering personnel working on board as well as the support of the shore team.

Over the years, Seachef has made seafarers feel close to home through their services.

Today, Seachef has equipped themselves with the latest IT solutions for paperless operations, engaged in better training resources for the hospitality personnel, and has further strengthened its procurement services by handling the general stores for all vessels.

Seachef aims to expand their services to the cruise and offshore sectors as well as land-based catering institutions in the near future.



Schulte Group invests in underwater IRM technology

In early February 2019, the Schulte Group announced the acquisition of the majority stake in TechHullClean (THC), a Singapore registered underwater Inspection, Repair and Maintenance (IRM) technology company. It is headquartered in both Singapore and Algeiras, Spain, and features further subsidiaries in Spain, Gibraltar and Ghana.



collaboration with the University of Cadiz, major shipping lines and global anti-fouling paint manufacturers.

THC is an underwater hull cleaning company specialising in the development and manufacture of environmentally friendly hull cleaning equipment and solutions. The company offers hull cleaning, inspection and propeller polishing services, that are compliant with local regulations pertaining to the International Maritime Organization (IMO) Marine Environment Protection Committee's (MEPC) guidelines for the control and management of ships' biofouling. The IMO's goal is to minimise the transfer of invasive aquatic species. All equipment is designed, tested and approved in

"Cost-effective biofouling removal and debris collection has been an issue for the shipping industry for a long time. In connection with invasive species, the authorities have been focusing more and more on the environmental aspects of biodiversity. We are glad the joint venture with THC has been established. We started investing in hull cleaning and underwater repair technology three years ago. This joint venture marks another important milestone, offering shipping companies a suite of different systems on a global scale," said Tobias Pinker, Schulte Group CFO.

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Schulte Group welcomes YPI CREW to the family

In early December 2018, the Schulte Group acquired the majority stake in Yachting Partners International Crew (YPI Crew), the Antibes-based, world-leading yacht crew recruitment agency.

YPI Crew operates now under the management of Bernhard Schulte Cruise Services (BSCS), the dedicated division of BSM offering technical and crew management specifically to the cruise industry.

In this transaction, BRS Yachting, the yachting head company of BRS Group and a world leading shipbroking company with offices in 20 different countries, sold its entire stake in YPI Crew. Laurence

Lewis, Managing Director and co-founder of YPI Crew, continues to run the day-to-day business of YPI Crew as Managing Director and co-shareholder.

"We are delighted to welcome Laurence and her team at YPI Crew to the Schulte Group. Under the leadership of Les Royle, Managing Director of BSCS, our cruise division continues to increase its business activities in cruise management, particularly in the luxury expedition sector, and we see great potential for synergies that can be developed. This acquisition is part of our external growth strategy and we are excited about the opportunities that lie ahead, now that we have one of the foremost names in the luxury yacht recruitment sector as part of the Schulte Group family," said Martin Springer, Deputy Managing Director of BSCS.

The clients of YPI Crew will benefit from the complementary skills, technologies and expertise of the two leaders in their respective market segments.



Schulte Group expands its maritime training to Africa

Schulte Maritime Services Ghana (SMSG), a wholly owned subsidiary of the Schulte Group, aims to boost its presence and enhance its maritime services offering in West Africa by constructing a Marine Training Centre (MTC) at its existing premises within the grounds of the Regional Maritime University (RMU) in Accra, Ghana.

The establishment of an MTC will focus on providing marine and non-marine practical skill training programmes, and will ensure SMSG's participation in all sectors of the Ghanaian and West African maritime offshore and engineering industries.

The MTC is the result of a close working relationship developed over several years between SMSG and the RMU in Ghana. The training centre will train and develop both the BSM crew and the RMU student competence as well as facilitate professional development.

MTC Ghana will primarily offer vocational training courses, mainly to maritime professionals, but also to non-maritime students in order to further enhance their skills and better prepare them for work in the maritime, engineering and offshore related sectors.

Construction work is planned to commence in the second quarter of 2019 and the MTC is scheduled to begin training in the second quarter of 2020.



BSM celebrates its 400th vessel under full management

In January 2019, BSM Hong Kong procured the full management of *MV Ultra Tiger*, cracking the mark of 400 vessels under BSM's full management.

At the same time, *MV Ultra Tiger* is the 71st vessel under BSM Hong Kong's full management.



Kamsarmax size *MV Ultra Tiger*, previously named *Star of Dubai*, was built and delivered by Sanoyas Shipyard in 2009. It came into BSM Hong Kong's management at the port of Ulsan.

This 10-year-old vessel is owned by MC Shipping and is on a long-term charter with Ultra Bulk. During the past two years, it changed its ship management twice. MC Shipping selected between various ship managers and claims it places great trust in BSM's capabilities.

The stern tube of *MV Ultra Tiger* was upgraded to an air seal and a ballast water treatment plant was installed while the vessel was dry-docked in April 2019.

The vessel is operated by a Filipino crew under the command of Capt. Francis Arao and C/E. Marcos Abletes.

Schulte Marine Concept's first FPSO project

Schulte Marine Concept (S.M.C) has signed its first Floating Production Storage and Offloading (FPSO) supervision agreement with Prime Marine Energy Inc. for the Karish and Tanin fields, a project developed by Energean Oil & Gas.

S.M.C has been contracted for the construction supervision of the FPSO hull and for top-side modules and living quarter integration with the FPSO hull. Further, the S.M.C team will provide technical support for the FPSO's pre-commissioning and mechanical completion.



The construction of the FPSO hull will be carried out by COSCO Zhoushan Shipyard, China. Steel cutting commenced in November 2018 and handover is foreseen for December 2019 in Zhoushan, China. After the handover, the FPSO hull will be wet-towed to Sembcorp Marine, Singapore, for the integration of the top-side modules and living quarters, followed by pre-commissioning and mechanical completion.

The FPSO will have a storage capacity of one million barrels and the oil will be offloaded in parcels of approximately 350,000 barrels to smaller tankers for export to European markets. With a projected initial liquid production rate of around 6,600 barrels of oil per day and at a gas rate of 300 million standard cubic feet per day, tanker loading operations would occur once every 55 days, a total of seven loadings per year.

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MS Karnika enters the BSCS fleet

Bernhard Schulte Cruise Services (BSCS) has been awarded technical management of Jalesh Cruises' new vessel, MS Karnika, formerly known as MS Pacific Jewel. The 2,000-pax vessel, built in 1990, will operate cruises from India and Dubai during 2019.

Jalesh Cruises is part of the Essel Group, a multi-billion-dollar media and entertainment organisation.

The vessel underwent comprehensive refurbishment at Sembcorp, Singapore, prior to entering service from Mumbai, India, in mid-April 2019.

The BSCS dry dock and onboard teams are spearheaded by Capt. Frank Oertel, BSCS Director of Operations. Both Les Royle, BSCS Managing Director, and Martin Springer, BSCS Deputy Managing Director, spent a significant time with the new owners in order to map out a plan of action, implemented under a stringent timeline.

"We are very proud and excited to welcome this fine vessel into the management of BSCS. She is also symbolic being the first dedicated, domestic cruise operation on the Indian subcontinent," said Les.



Team of experts joins the BSM Offshore family

Since setting up its new business unit BSM Offshore in September 2018, BSM has focused on the developing Oil & Gas and energy renewables markets, as well as further expanding its offshore capabilities with experienced hires.

BSM Offshore is now comprised of a newly-inducted team of experts, who are bringing their extensive knowledge of the offshore industry to the company. Having operated and managed a modern, sophisticated and diverse offshore fleet, their knowledge includes Platform Supply Vessels (PSV), Anchor Handling Tug Supply Vessels (AHTSV), Dive Support Vessels (DSV), Construction Support Vessels (OCV), ROV Support Vessels (RSV) and Well Test Vessels (WTSV).

The new team is based close to London and is part of BSM British Isles, who together with other BSM Offshore units have been actively managing floating production units, flotels, offshore and wind energy units for some years now.

“We are happy to welcome the new colleagues to our team of dedicated offshore professionals. Their track record in the management of highly-sophisticated offshore vessels combined with the power of Bernhard Schulte Shipmanagement allows us to offer safe, reliable and cost-efficient operations to additional offshore segments,” said Matthias Mueller, Managing Director of BSM Offshore.



Waypoint Port Services Singapore move into new offices

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Beginning of the year, Waypoint Port Services Singapore Pte Ltd (Waypoint Singapore) celebrated the opening of its new office premises with an inauguration ceremony. The new premises are situated in the heart of Singapore's Central Business District, minutes away from the Tanjong Pagar and Keppel container terminals.

The guests of honour for the event – Ian Beveridge, Schulte Group CEO, David Furnival, BSM COO, and Tobias Pinker, Bernhard Schulte CFO – performed the ribbon-cutting ceremony. Other guests included customers and partners of Waypoint Singapore, representatives from port operators from PSA Singapore and Jurong Port, and officials from the Maritime and Port Authority of Singapore.

“The relocation of our Singapore office premises comes on the back of a better-than-expected operational performance in 2018, in which we handled over 40 port calls and catered to over 100 crew changes every week,” said Velu Ramoo, Country Manager of Waypoint Singapore.

Angelo Cachia, Managing Director of Waypoint Port Services, said “Operating from a new and larger office in closer proximity to our stakeholders, Waypoint Singapore is now better positioned to deliver first-class, end-to-end quality services at international standards; standards that our customers have come to expect from us.”



The new office address of Waypoint Singapore is:
70 Shenton Way
13-13/14/15
EON Shenton, Singapore 079118

BSM: An industry leader in OPEX performance

BSM participated for the fifth consecutive year in a study by the Boston Consulting Group (BCG), a world-leading management consulting company. BCG conducts an annual benchmarking study across a range of ship types and sizes. The study compares its participants' daily vessel Operating Expenditure (OPEX) against the overall average OPEX for each vessel segment.

In 2018, 50 leading shipowners and managers participated in the study. Each vessel's OPEX comprises of the cost categories:

- Crew and crewing related costs
- Lubricating oil
- Maintenance and repair
- Consumables
- Insurance

In 2018, BSM submitted the 2017 annual OPEX of 289 fully-managed vessels, which were benchmarked against the BCG OPEX average, comprising nearly 2,800 vessels. BSM's average OPEX performance was seven percent below the sample average for 2017.

Through these results, BSM continues to demonstrate that its average OPEX is materially below the BCG sample average. Over this period and from a cumulative sample size of close to 12,000 vessels, out of which BSM submitted OPEX data for 1,250 ships under

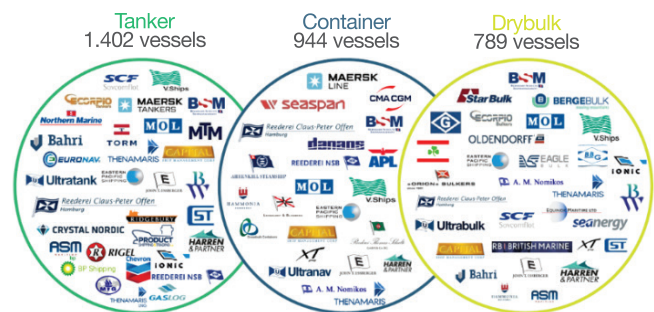
management, BSM's average OPEX was nine percent below the consolidated sample average.

This consistently strong performance is a result of operational excellence delivered through BSM's extensive ship management knowledge and experience, combined with purchasing economies of scale.

Equally noteworthy is the year-on-year improvement in the benchmark OPEX average, signaling BSM's need to continually improve its OPEX efficiency to maintain its leading position.

Whilst BSM has demonstrated its operational efficiency capabilities through the independently-conducted BCG study and directly with its satisfied customers, the company remains focused on continuous improvement in this important area for both existing and potential new customers.

2018 Participants



| SEGMENT | 2018 | | 2014 - 2018 | |
|--------------------|---------------------------|------------------------------|---------------------------|------------------------------|
| | BSM OPEX vs. average OPEX | No. of Vessels (BSM / Total) | BSM OPEX vs. average OPEX | No. of Vessels (BSM / Total) |
| CONTAINER | -7% | 90 / 794 | -12% | 421 / 4,173 |
| DRY BULK | -12% | 105 / 789 | -10% | 336 / 2,911 |
| CRUDE | -6% | 16 / 389 | -6% | 97 / 1,571 |
| PRODUCT & CHEMICAL | -1% | 66 / 679 | -8% | 315 / 3,006 |
| LPG | 1% | 12 / 99 | 5% | 73 / 317 |
| OVERALL | -7% | 289 / 2,750 | -9% | 1,242 / 11,978 |

BSM focuses on customer priorities

BSM recently undertook the annual 'Customer Satisfaction Survey 2018', which acts as a pillar for ensuring that the company consistently delivers against their customers' needs and correctly focus its efforts to continuously improve.

The results of the annual survey are very encouraging and supportive of the emphasis BSM places on being a trusted partner. BSM is committed to fostering close relationships and communication with its customers, in order to best help them achieve their goals.

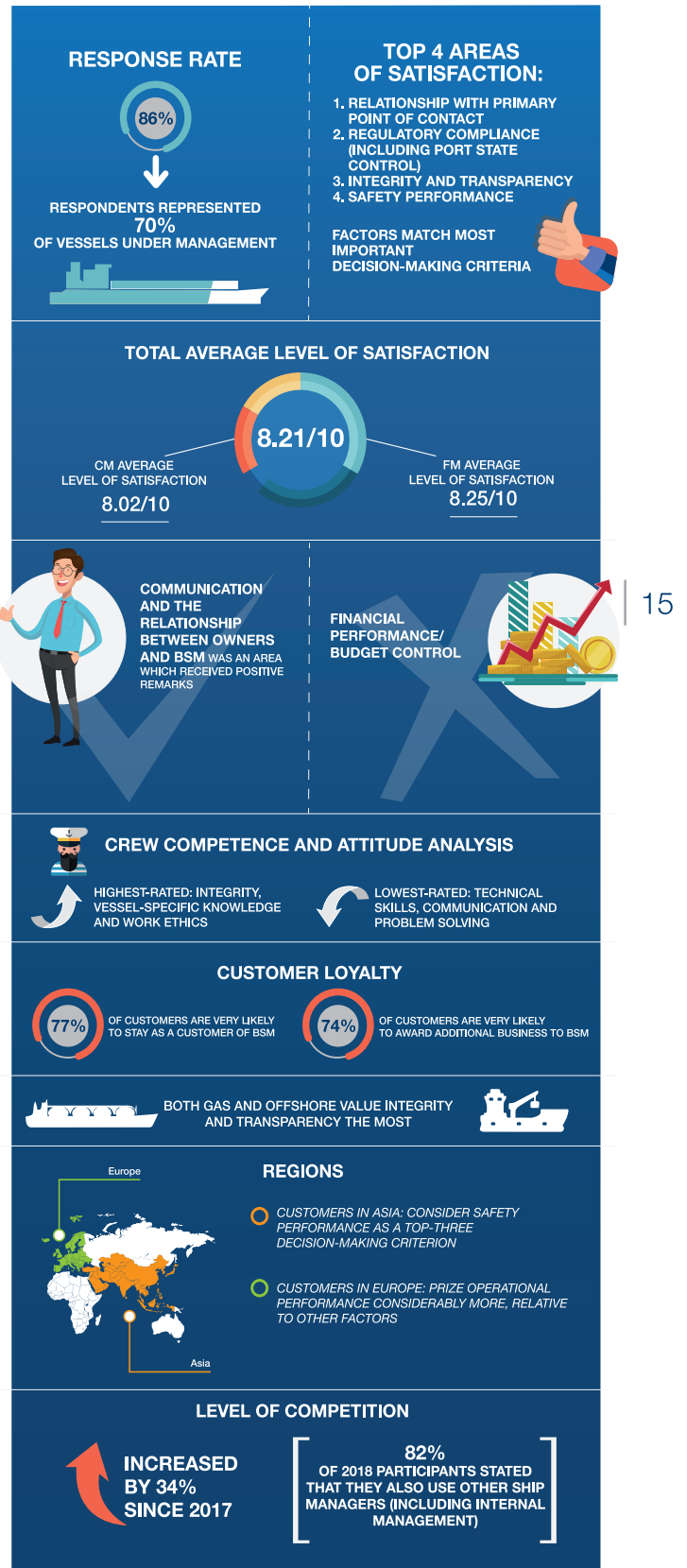
Based on the survey output, the management and global teams are taking targeted actions to ensure that all customer's expectations are met and exceeded. Complete integrated action plans have already been designated to relevant departments and individuals to target concerns and further enhance areas of satisfaction.

This year's key highlights are:

- 87 percent of participants regard the quality of services delivered by BSM as ranging from 'still good' to 'significantly improved'
- Regulatory compliance (including port state control), safety performance and integrity as well as transparency were rated as the top three factors in terms of importance, thus, BSM continues to strategically align its priorities and processes with these
- Relationship with the primary point of contact, regulatory compliance (including port state control) and safety performance were the factors which showed the highest satisfaction. Promisingly, these factors align with customers' most important criteria when selecting a ship manager
- 81 percent of participants would highly recommend BSM to another company

This year's high survey response rate of 86 percent was greatly appreciated. As always, BSM's aim is to obtain feedback from all customers. BSM sincerely hopes that the high response rate will be maintained in the surveys to follow.

SURVEY RESULTS 2018



Containership *MOL Tribute* sets loading record

In February 2019, *MOL Tribute*, a container vessel under the full management of BSM Hong Kong, set a remarkable loading record of 19,190 TEUs including 38 TEUs void slots, cracking its previous record of 19,000 TEUs, achieved by *MOL Tradition* in late December 2018. At that time *MOL Tribute* set a new benchmark for the most twenty-foot equivalent containers ever loaded onto a vessel with 19,100 TEU.

The record-setting stow took place at the PSA Singapore terminal and was announced by Navis, a part of the Cargotec Corporation, who provided the stowage planning software that optimised the arrangement of containers.

Operated by Ocean Network Express (ONE), the 400-meter *MOL Tribute* has a total capacity of 20,146 TEU, ranking it among one the largest containerships in the world.

Just for comparison, a previous loading record stood 18,767 TEUs and was achieved by *MOL Tradition* in late December 2018. She is a sister vessel of *MOL Tribute* and also under BSM Hong Kong's full management.

These loading records were achieved by the customer's strong support and the shore-based staff as well as the excellent performance and cooperation of our crew to optimise the vessel's capacity and cargo weight distribution.



Chris Clucas honoured with a 'Lifetime Achievement Award'

During last year's annual LNG World Shipping Ship/Shore Interface Conference, Chris Clucas, BSM Expert – Liquefied Gas, Technical, was presented with the Lifetime Achievement Award, widely regarded as the highest accolade at the conference.

The award categories at the LNG World Shipping Ship/Shore Interface Conference recognise innovation and excellence in LNG shipping and include achievements in safety, vessel design and terminal operations during the past year, as well as the Lifetime Achievement Award, which honours an individual who has made significant contributions to the sector.

Humbled and surprised, Chris said, "Really, I think we should recognise the people who have pioneered across the industry, and I don't really feel being one of them. You often come by chance in this industry, for many people including myself, and find it so fascinating that you stay there."

"Mr Clucas' deep working knowledge of gas shipping has been an invaluable asset for his employers at BSM over the past 40 years. His unique blend of industry knowledge and communications skills bring to bear on the many international conference sessions and industry association committees and working groups he has chaired over the years," said Mike Corkhill, LNG World Shipping editor.

BSM for the 24th year at CMA Shipping 2019

In April 2019, BSM exhibited for the 24th year at the Connecticut Maritime Association (CMA) conference and exhibition titled 'Power', which was held at the Hilton Hotel in Stamford, Connecticut.

Over 2,500 industry and government leaders, owners and ship managers gathered to discuss the revolution in marine fuel regulations and digital technology, and how it will reshape every aspect of the global shipping industry.

This year's conference agenda focused on issues related to the IMO 2020 sulphur cap, crew health and welfare,

technical innovation, sustainability, decarbonisation, opportunities in the current market environment, and more.

During the three-day exhibition, BSM senior representatives had the opportunity to introduce the member companies of the Schulte Group and discuss with other key industry players about the current business environment and work we all do to make our industry smarter, safer, and more efficient step by step, year after year, over a traditional "dark and stormy" cocktail served at the Company's stand.



17

Sharing our shipmanagement solutions with the cruise industry

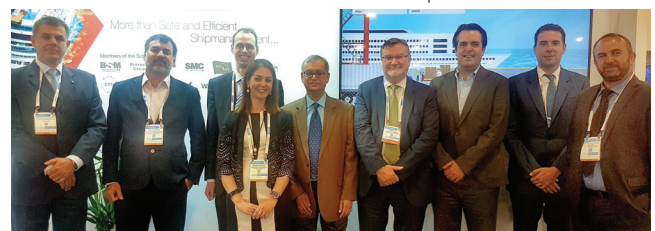
This year Bernhard Schulte Cruise Services (BSCS) exhibited for the first time at Seatrade Cruise Global at the new convention centre in Miami Beach. This trade show is the largest cruise industry gathering in the world with over 13,000 professionals coming together to facilitate innovation, uncover new trends and secure profitable partnerships.

Trending themes covered during the four-day conference included sustainable tourism, innovation, converting new cruisers, environmental initiatives and emerging markets.

Executives from the world's top cruise lines took the stage to share insights in high-powered panel

discussions. The keynote of the conference programme featured a panel devoted entirely to female leadership.

Cruising experts from BSM's dedicated cruise division BSCS along with other key representatives from the Schulte Group came to share unbiased expertise and best practices on ship management and various other innovative solutions around cruise operations.



An aerial photograph of a bustling Greek port, likely Piraeus in Athens. Several large white ferries are docked at the quay. The background shows a dense urban landscape with numerous multi-story buildings, and the blue sea extends to the horizon under a clear sky.

Greece: Diversification with emerging industry trends

The operating environment

18 | **D**espite a decade-long sovereign debt crisis, Greece has maintained an unassailable lead in terms of merchant fleet size, deadweight tonnage and asset value. Greece runs the world's most valuable fleet of over 100 billion USD, followed sequentially by Japan, China and Singapore. Moreover, Greek owners also operate the world's largest merchant fleet of around 4,800 ships with a tonnage, which accounts for around 20 percent of all global seaborne trade and 50 percent of European Union's fleet capacity in deadweight tonnage terms. The local maritime industry employs more than 200,000 people, and accounts for around seven percent of GDP and should thus be considered as a fundamental support for the nation.

How it started

It seemed only logical and befitting for BSM to establish a local presence in Greece. Theophanis Theophanous, Managing Director of BSM Greece, explained, "We thought it was essential to open an office in Greece to be next to our clients and thus, in 2005, BSM Greece was established. Initially we were a small office but saw opportunities in the fledgling shipmanagement sector, which was a fairly new concept at that time. Due to a proven track record of good performance as well as a wide range of flexible services, Greek shipowners slowly gained trust in the role a third-party ship manager can

play as a strong business partner. Nonetheless, in our experience we see that owners usually want to remain fully involved with all aspects of their vessel operations and prefer not to wholly outsource. However, in this way resilient long-term partnerships are formed with BSM, whilst jointly striving to manage each ship in an efficient, smooth and operatively successful manner. The success of BSM Greece would not be possible without the close proximity to our clients and wider market of ship owning offices, being just 30 minutes away in most cases."

Theophanis further elaborated, "BSM Greece started with a small number of ships under crew management before the first breakthrough when we secured full technical and crew management of oil tanker *MT Jelita* in 2006. We gradually expanded over the years, increasing the numbers of vessels under full management to 25. BSM Greece entered the LNG market in 2013 with the support of the wider Schulte Group, BSM Isle of Man and key corporate LPG/LNG experts of the Company. We won the shipmanagement contracts for three 160,000 cbm LNG carriers belonging to Thenamaris LNG Inc."

Standing out from the competition

BSM Greece today provides third-party management services to all vessel types, something that its closest competitors are currently unable to provide. Theophanis attributes this to BSM Greece's commitment to

“We believe in paying attention to human resources and the environment”

diversifying its services in view of industry trends, such as the LNG marine fuel adoption as well as meeting shipowners' crewing needs through ongoing recruitment and training efforts.

“Crewing is a big challenge, especially for the LNG sector, and our existing clients foresee a labour crisis. To stay relevant, it is important to constantly recruit and train talents and to pay more attention to seafarers' soft skills and leadership rather than just technical skills. In doing so, we are well-positioned to meet our customers' demands. Ultimately, we must realise that the vessels are only as good as the crew who sail on them,” Theophanis explained.

Environmental stewardship

BSM Greece is a member of Hellenic Marine Environment Protection Association (HELMEPA) and INTERTANKO's Hellenic Mediterranean Panel. “BSM Greece prides itself in working with first class shipping companies, where there is commonality in shared values and corporate philosophy,” Theophanis pointed out.

Indeed, one of the core values of BSM is “Responsibility: Ensuring safety at sea, protecting the environment, and being socially responsible.” This provides the focus for each BSM employee both on board our managed fleet or ashore in our network of offices, to strategically plan, make decisions and drive their daily activities towards being socially responsible and achieving environmental sustainability.

“BSM Greece takes part in an annual beach cleaning activity in support of HELMEPA's effort to motivate people to care more for the environment and specifically the sea. Our office employees and their families are very proud to be included in maintaining their natural local surroundings, whilst having the chance to pass on to the younger generation a clear message of the importance of caring for the sea environment.”

Addressing challenges and seizing opportunities

Theophanis is cautiously optimistic about what lies ahead for the Hellenic shipping industry, despite ongoing concern of escalating trade protectionism and geopolitical tensions in many parts of the world.

“Where there is a crisis, there will also be opportunities. Greek shipowners have traditionally preferred to manage their ships in-house as a matter of pride. That notion is gradually shifting, especially amongst the younger shipowners who see the benefit of outsourcing to professional third-party ship managers and investing more of their time and energy on other ventures. Over time, I believe more and more owners will entrust crew management and eventually full management to ship managers like BSM,” Theophanis concluded.



*Theophanis Theophanous
Managing Director, BSM Greece*

Naftomar: LPG expertise to the core

When it comes to the Liquefied Petroleum Gas (LPG) market, the Greek company Naftomar is a true expert. Whilst the Athens-based firm started out in Beirut, Lebanon, as a trading house for the distribution of petroleum products in the Mediterranean region in 1972, it soon discovered the huge potential of LPG. It opened a separate business unit to offer ship owning and operating services as early as 1976. Today, Naftomar has established itself as a renowned provider for trading and shipping LPG.

When it comes to floating storage, it is fair to say that Naftomar is one of the pioneers. It handled one of the very first Ship-To-Ship (STS) operations back in the early 1980s. Today, the company has carried out more than 4,000 successful transactions with more than 10 million tonnes of products transhipped. It has accumulated a deep knowledge of this demanding activity and built an impeccable safety record. STS is a very specialised operation, as one vessel needs to connect to another vessel in open sea in order to transfer cargo.



“Our focus has always remained the same and over the past decades, our business has continued to grow. We are proud to have become a key player in the LPG market,” George Paul Perantzakis, Fleet Director at Naftomar explained. He added, “It is our goal to support our clients with our expertise and offer tailor-made solutions to complex activities.” For instance, the specialist offers its expertise to resolve product shortages, address the problems associated with longer voyages and gain access to new sources of supply. In addition, floating storage has proved to be a valuable tool to tackle market fluctuations.

Sharing the same values

Naftomar’s relationship with BSM goes back more than 25 years. “It is fair to say that we only work with partners who we consider to be the best – this is crucial to maintain our high safety standard. We select our suppliers in a very careful manner and place utmost importance to sharing the same values and high standards. BSM provides a very capable and well trained crew and we have always been very satisfied with their level of knowledge and experience. BSM enables us to perform our operations safely and timely in the most difficult conditions.”

Today, Naftomar’s fleet consists of 24 vessels of various types and sizes. For instance, the company’s semi-refrigerated ships offer great commercial flexibility, while the benefits of Naftomar’s pressurised vessels are their convenient size, which means they are very easy to operate in small terminals.

With the *Gaz Imperial*, the company received its latest addition to the fleet in January last year. It takes pride in the fact that it does not buy ships “off the rack”, but designs them in close partnership with the respective ship yard. “We define the vessels’ specs based on our expertise and what’s needed for our industry,” George explains. Whilst the company currently does not have any newbuildings on order, the Fleet Manager emphasises “we’re always open to take advantage of opportunities.”

Presently, BSM manages a fleet of four semi-refrigerated vessels with a capacity of 9,000 cbm each, and a crew from Eastern Europe and the Philippines. The ships were built in 2011 and have been under BSM crew management ever since then. “We are very happy with the performance of these vessels, even though they have been trading in continuously changing and demanding environments over the past years,” George concludes.

“We only work with partners who we consider to be the best”





MariApps sees industry catching up with technology

22 |

Building on the success of PAL 3, MariApps Marine Solutions is seeking to win over even more converts to the next version of its fully web-based, cloud-supported and mobile-compliant complete marine Enterprise Resource Planning (ERP) suite – PAL 4 which promises more innovations and increased cost savings.

The move is timely, as digitalisation has been among the hot topics for the maritime industry in recent years. The rapid pace of technological advances combined with the sector's need to streamline operations, discover ways to reduce costs amongst weak trading conditions.

"The maritime industry is typically somewhat slow in adapting to and investing in technology; however, slowly but surely it's catching up," says Sankar Ragavan, Schulte Group Chief Digital Officer.

PAL 4, Sankar explains, will be able to help both ship managers as well as ship owners, by covering a wide variety of functions in a single fully integrated system, which can be easily integrated with leading banking and vendor systems via interfaces.

Ship owners will benefit from modules such as insurance, accounts, chartering, voyage and LiveFleet. LiveFleet, for example, can pinpoint a vessel's position, calculate voyage tracking and current speed, as well as vessel performance metrics, operational and financial reports and other key indicators.

In addition to those modules, ship managers have several other elements to take advantage of, including crewing, payroll, SeaRoster and training.

"More than 12,000 seafarers are sailing in the BSM fleet at any given time and another 6,000 are ready to join at port. They can now use the app to see which ship to go to next," Sankar explains. With often-used information such as certificates and bank details uploaded into the system, together with the availability of a chat function, there is much less of a need to go to the office for administrative purposes, which frees up time for other important matters.



*Sankar Ragavan
Schulte Group, CDO*



Breakeven as early as two years

According to Sankar, the investment in PAL 4, can be recovered in as little as 2-3 years, if fully implemented and staff is trained well.

Beyond savings in terms of time and effort, PAL 4 shows a measurable Return On Investment (ROI) with work efficiency increased by the full automation of several tasks.

For example, purchasers handling 8-10 ships will be able to handle 15-20 ships as the procurement processes are semi-automated, while fleet personnel officers will be handling several more seafarers than they currently handle, as most of the manual entry process is eliminated.

Other valuable advantages are that management reports can be obtained in just a few clicks, compared to the significant time currently spent putting together excel reports, while the Master will be able to access all required data such as crewing, final wages, maintenance history and safety procedures, all in one system.

Planning ahead amid encouraging feedback

As technology evolves quickly, MariApps is incorporating lots of technological advances on PAL 4, like Cloud and SQL:2016.

Looking ahead, Sankar already has some ideas for PAL 5, such as integrating cyber security, chat box and mobile PAL.

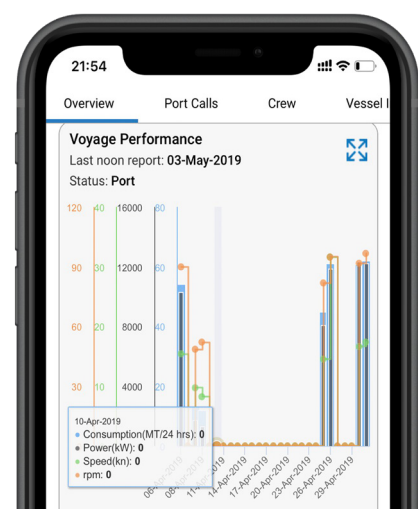
For that purpose, MariApps will be co-operating with the recently acquired sister company World-Link Communications. World-Link has expertise in providing cyber defence services to the maritime sector, to combat cyber threats that can be delivered over satellite communications. The company delivers satellite communications to more than 1,600 ships worldwide.

Meanwhile, MariApps' PAL suite of ERP software has been picking up traction ever since the first version went live in 2011. This was followed by the second version in 2013 and version three in 2015.

Strong interest has already been seen for PAL 4, for which the company introduced several workflow changes, according to Sankar. With more than 20 clients already, he expects to grow that number to 30 by the end of 2019.

In addition to its biggest supporter BSM, PAL 4 has also been chosen as the ship management software by French giant CMA CGM and by Saudi Arabia-based major ship owner Bahri Group for its fleet – testament to a fast-growing acknowledgment by the industry of its potential and productivity gains.

23



Bernhard Schulte enters the maritime start-up ecosystem

Bernhard Schulte has launched a dedicated venture capital unit, which identifies investment opportunities in the global maritime start-up ecosystem, equipping ambitious founders with smart capital, called INNOPORT.

Based in Hamburg, Limassol and Singapore, the INNOPORT team, which is headed by BSM's Director of Strategy and Product Development, Yiannis Sykas, supports high-potential early-stage maritime and logistics start-ups predominantly in Europe and Asia, but not limited to a collaboration with start-ups from other geographic areas.

Haymon Sinapius, INNOPORT's Investment Manager for Asia, explained, "INNOPORT was founded to support early-stage ventures, typically pre-revenue companies at the idea or prototype stage. We invest in breakthrough technology and disruptive business models that address a real pain and have the potential to define new standards in their respective industries. We want to see founders, who actively challenge the status quo of how the maritime industry works, to make it better, safer and more efficient."

INNOPORT differentiates itself from conventional venture capitalists in terms of its investment mandate and its in-house expertise. "Typically, venture capital funds operate on a broader investment remit and they

often lack intimate knowledge of the industries. At INNOPORT, we see ourselves as a provider of capital with industry domain knowledge coupled with access to the right people within our Organisation and our network to support the portfolio of companies we invest in," said Niklas Koerner, INNOPORT's Investment Manager for Europe.

Both Haymon and Niklas point out that INNOPORT does not serve as a research and development arm of the Schulte Group. Rather, INNOPORT was conceived to add value and capital to start-ups, by that embracing the digital revolution in the maritime space and supporting the vibrant start-up ecosystem with key maritime knowledge. Potential pilot projects within BSM, sales-partnerships or technical cooperations are only a few of the options of how the INNOPORT team is able to act as a sparring partner.

"At INNOPORT we want to build bridges and open doors wherever possible. In sum, INNOPORT provides start-ups with the right network and the right capital, to scale up their business and to bring their ideas into fruition," Yiannis concluded.

For further details about INNOPORT you may visit www.innoport.vc or contact the team at info@innoport.vc



BSM moves into consultancy services with HMAS



With an ever-increasing demand for consultancy services for third-party customers in the maritime sector, BSM has launched Hanseatic Maritime Advisory Services (HMAS), to cater to such needs.

HMAS provides maritime solutions to clients in the shipping industry, to create more customer value through specialised maritime services. HMAS is an established worldwide network consisting of qualified, experienced and skilled professionals, able to deal with a variety of shipping requirements and offer comprehensive advisory services to all stakeholders throughout the shipping industry.

“Our value proposition is a worldwide presence, qualified and experienced personnel with professional skills, and customised, cost-efficient solutions for each customer,” says Andreas Solomonides, Managing Director of HMAS.

Since 2005 with BSM Greece in the role of Fleet Manager, Andreas is vastly experienced with liquefied petroleum gas carriers, tankers and dry vessels.

HMAS aims to take advantage of BSM’s global infrastructure as well as its own growing network of expert inspectors. Those strengths will offset challenges such as the reluctance of ship owners to outsource as well as enter into a market with multiple and well-established competitors.

“The new company aims to provide a regular additional revenue stream for the Schulte Group, as it will be

focusing on third-party, non-BSM customers,” Andreas says. “The synergies from HMAS’s ability to tap into BSM’s network will enable HMAS to keep costs low, and in turn will allow the parent company to offer its services at competitive rates.”

HMAS is initially marketing its services from Greece and Hong Kong where it is based, although its focus is global.

“While ship owners, banks and financial institutions are the most promising,” Andreas says, “HMAS is also targeting private equity groups, brokers, insurers and charterers across the world with a wide range of services.”

With the aim of becoming a leading maritime consultancy services provider over time, HMAS is offering other services including pre-purchase and condition inspections, Port State Control pre-inspection, navigational, mooring and environmental audits, inspections on behalf of P&I clubs and charterers, bunker and cargo surveys, as well as dry dock and repair supervision.

For further details on the advisory services of HMAS, you may visit www.hanseatic-maritime.com or contact the team at info@hanseatic-maritime.com.



Andreas Solomonides, Managing Director of HMAS

Seafarer Profile: Krzysztof Sochacki

Born and raised in Szczecin, Poland, Chief Officer Krzysztof Sochacki was fascinated by the seafaring profession from an early age. His father, a seafarer as well, took every opportunity to bring young Krzysztof on board the ships he worked on, and exposed him to the ins and out of life at sea.

Krzysztof eventually followed his father's footsteps and realised his childhood ambition. He started as a Deck Cadet in 1995 and joined BSM in 2000 as Deck Assistant on board LPG tanker *Gaz Coral*. He became a Master on board LPG tanker *Navigator Pluto* in 2012.

Recalling his early years as a seafarer, Krzysztof reminisced about his visits to many ancient historical sites such as the Great Pyramid of Giza, the Acropolis of Athens and the Thermopylae. He also looks forward to visiting old cities such as Cartagena in Colombia and large cities such as Jakarta in Indonesia, when the opportunity arises.

After almost 18 years of illustrious service on board LPG carriers, Krzysztof was offered the opportunity to

transition to LNG carriers. Driven by his penchant for lifelong learning, Krzysztof stepped out of his comfort zone and embraced the challenge.

When asked if he made any sacrifices during the transition, Krzysztof mentions, "While LPG and LNG carriers are equally challenging to work on, there are several challenging aspects of LNG shipment that differ and need to be considered from LPG, such as calculations on how much cargo (heel) needs to remain in an LNG vessel's tanks for the next passage. Another challenging aspect is the LNG cargo specifications, which need great care during the typical cargo cycle to eliminate the risk of explosion or damage to the tanks and pump columns."

Krzysztof will return to the rank of Captain upon contract renewal, and he offers the following advice to fellow seafarers who are preparing for a transition from LPG to LNG: "Study cargo specifications and carriage publications. Once on board, pay attention to operations manuals and learn how to use automation systems fluently."

“*Listen to the advice of more experienced colleagues*”



One BSM

Women in Shipping: Kristina Rittgerodt

Customer Relations Manager at BSM Germany, the affable Kristina Rittgerodt entered the shipping industry quite by accident more than two decades back.

“Shipping found me. I was at a crossroad in my life, where I wanted to try something new. I noticed an intriguing job advertisement in the Athens News. They were looking for a native English speaker, to assist the Managing Director with vessel operations of his vessel,” Kristina explains.

“We were a team of three; the owner, a technical manager (me), and one chemical tanker. It was a fantastic opportunity as I was actively involved in all aspects of operations with my primary task being implementing the International Safety Management (ISM) Code, which was at this time in its infancy stage,” Kristina adds.

“My parents were a little concerned when I joined the shipping industry. They are from a more conservative generation and they were not exactly pleased to learn that I was traveling on board the vessels with ‘all those men.’ However, through the years, I have been able to educate them and now they are supportive,” she explains.

She has not looked back from the modest beginnings in 1997. After gaining the experience required, Kristina moved to Germany in 2000 and joined the Schulte Group.

Along the way, she has garnered several accolades at BSM, including being the first female Health, Safety, Environment and Quality (HSEQ) Officer, HSEQ Coordinator, first Deputy Loss Prevention, Safety and Quality (LPSQ) Manager, and the first female Designated Person Ashore/Company Security Officer (DPA/CSO).

Working in BSM’s LPSQ department, Kristina implemented and developed processes and procedures for the ISM Code, International Ship and Port Security (ISPS) Code and Maritime Labour Convention (MLC).

“There are no ‘free lunches’,” she warns. “While there are no barriers anymore and attitudes towards women are changing in the industry.”

“While it is a continual juggling act, work/life balance is still possible with proper time management and planning. I am fortunate to have a very supportive husband and social network, who jump in to assist with family tasks as needed,” she explains.

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“*Respect must be earned
while remaining true to yourself*”



BlueSeasMatter launches first global event for staff

This year BSM launched its first global event under BlueSeasMatter, called, 'small act, BIG IMPACT'.

BlueSeasMatter is an inspirational CSR movement created by the BSM staff in 2018. This initiative was borne out of the passion to protect the world's oceans, rivers and beaches, and aims to unite all Schulte Group employees in the fight against plastic pollution.

'small act, BIG IMPACT' will engage all the Organisation with two activity days, themed after and taking place on their internationally recognised environmental days, Earth Day and World Ocean Day.

The first activity day 'Grow social responsibility' took place on April 22 this year, with staff from over 19 countries participating in various green activities, both through educating themselves and contributing to a cleaner and healthier environment.

Globally, the Schulte Group community arranged park and beach cleanings, switched off the lights and air-conditionings, car-pooled or cycled to work, planted flowers and herbs for their desks, participated in creative workshops on how to make natural soaps and deodorants, and hiked to green areas for a day of tree planting.

In support of BSM's first global 'green' event, two special guest speakers, Ron Bloemers, Founder/Managing Partner of Start-U-up and Bill Dale, Founder/Chief Executive of Beach Buddies, participated in an Ask Me Anything live stream session for all Schulte Group employees.

Ron and Bill spoke about their journeys as environmentalists, the global issue of pollution and the difficulties they continue to face while trying to grow their unique businesses. The stream concluded with a challenge for all Schulte Group staff, to find a small way to contribute to the environment each day.

The next activity day 'A Wave of Change' will take place on June 8 and will also include BSM's seafarer community on board all full-managed vessels. A series of activities for this is being planned by the BSM community both at sea and shore for this occasion.

The focus of BlueSeasMatter, through these events, as well as other initiatives, is to inspire people and show that even the smallest actions can be meaningful with the support of a wider community. By working together, we can eliminate one-use plastics from our lives, reduce pollution and protect the world for future generations!





The new seafaring online community

We are proud to introduce the brand-new Seafarer Blog, an online portal exclusively for all BSM seafarers, launched in April 2019.

This blog is a platform for seafarers to share, comment and like on an ocean of topics they can directly post for their fellow mates. First-hand stories, insights and achievements of their seafaring colleagues are also featured on the Seafarer Blog.

The Seafarer Blog features:

- Stories from sea and shore staff
- Insights on topics for further discussion
- Health and wellbeing articles
- Articles on internationally observed days
- Updates on successes, such as promotions,

- long-service awards and new vessel takeovers
- Upcoming crew events and reviews of past ones
- Travel tips from Eurasia Travel Network
- A photo gallery, where seafarers can share their 'selfies' with their BSM fellow mates, whom they may have bumped into when travelling from/to vessels

The Seafarer Blog was created to strengthen the community of BSM's seafarers, to create and expand a common understanding, and to strive towards a more collectively embraced #OneTeamOneBSM spirit on board and ashore.

All seafarers are welcome to join the blog with their BSM credentials either via the Seafarer App or throw www.seafarerblog.bs-shipmanagement.com and start socialising!

30 | SCI Mountain Challenge 2019

The Seamen's Church Institute (SCI) Mountain Challenge is a biennial fundraising event, first held in 2013. Since its inception, BSM has participated three times, with 2019 being the fourth time.

In the upcoming Mountain Challenge on September 26-29, 2019 taking place on land and water, competitors will complete a course that includes hiking, paddling and obstacle elements through the beautiful Sunday River area of western Maine. Teams of three competitors will start and finish the race together, ascending approximately 3,000 feet each day.

In addition to the physical competition, SCI challenges each team to raise a minimum of 3,000 USD. The funds raised

by each team count towards the overall team rankings and awards. Final standings are calculated based on course times as well as the money raised. All donations raised through this Challenge support SCI's various programmes serving mariners globally.

The BSM Schulte Summiteers won two first places in the SCI Mountain Challenge in 2017, by raising 23,500 USD.

Support the BSM Schulte Summiteers again this year with your donation at the following website:

www.classy.org/campaign/2019-sci-mountain-challenge/c217680

#SCIMtnChal



Employee Opinion Survey 2018

One of BSM's top priorities is to provide a healthy and professional working environment that allows all employees to grow, feel challenged and motivated. This success rate is observed by an annual Employee Opinion Survey, from which all feedback is compiled and adopted into a next-step action plan.

Following the completion of the survey in December 2018, an action plan was developed to address areas for development and ensure that employee satisfaction continues to grow.

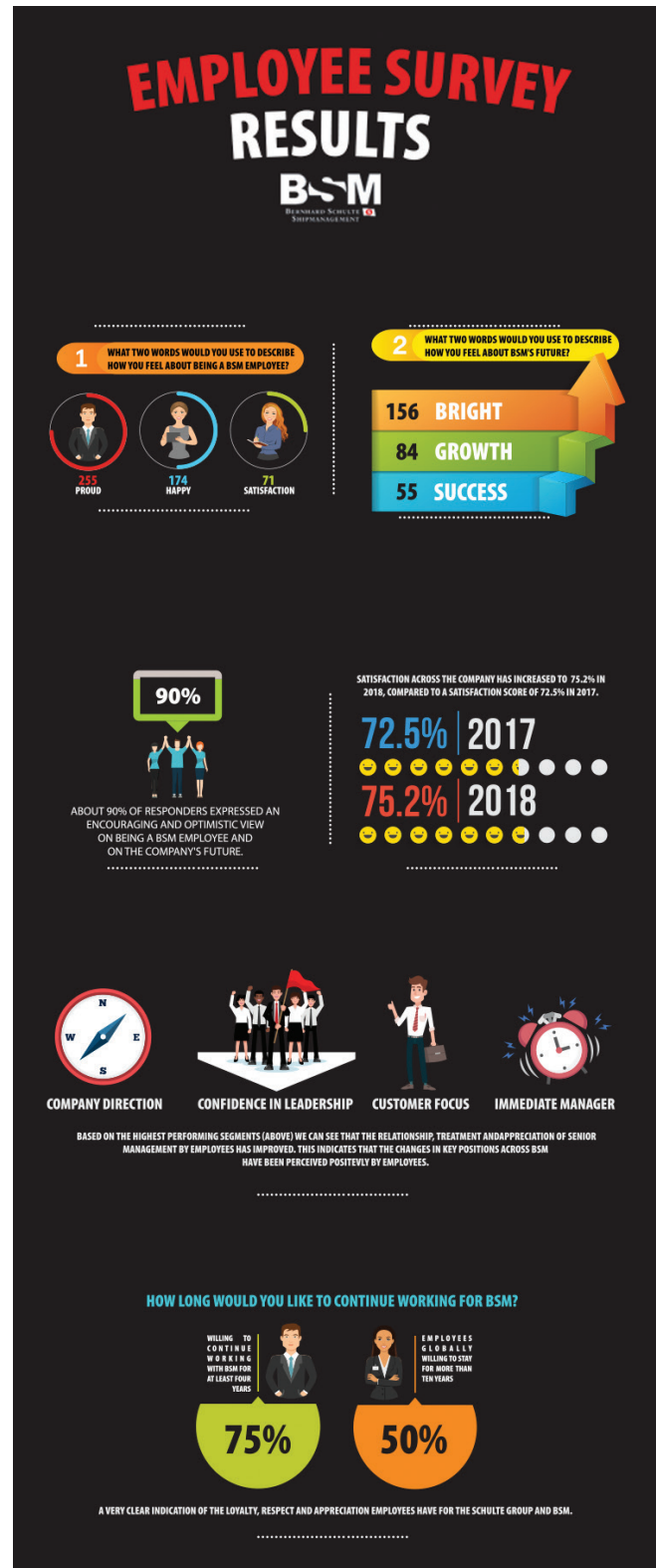
The Action Plan 2019 (AP19) addresses the developments of the Schulte Group's Tools and Technology by focusing on software-targeted training, the introduction of a robust procedure on 'user-acceptance testing' and a project designed to help ensure the alignment between BSM and its technology division, MariApps Marine Solutions. Furthermore, a 'Help Desk' feedback platform is now available, where the data will be collected to create a walkthrough video to clarify various communication tools to everyone.

Managing workload and stress is another aspect the AP19 focuses on. To become more operationally efficient as a company, BSM focuses on improving systems and procedures. This will be achieved by introducing a flexible work schedule, along with an annual Wellness Day with several health-related activities provided from well-trained specialists, to promote healthy living, relieve stress and foster team spirit.

In order to increase collaboration and team spirit, Social and Culture Committees will be formed. These 'ambassadors' will lead the wellness activities and events to encourage inter-department communication and collaboration. Through these events, more hours will be devoted to volunteering and supporting local communities as a part of the company's social responsibility.

The final action in the AP19 is the identification of new training and development opportunities. Through this movement, BSM can increase team-building workshops to improve in-office relationships as well as encourage learning and energize employees.

BSM wishes for challenge, motivation and growth in our employees. With the help of the AP19, BSM pledges to provide a healthy and professional working environment, so all our employees can accomplish their personal goals.



The Ocean Cleanup

In September 2018, the first offshore cleaning system was installed by Maersk Supply Service's anchor handling tug supply vessel, *Maersk Launcher*. This vessel is under crew management of BSM Germany and is located in the Great Pacific Garbage Patch, 1,200 nautical miles off the coast of San Francisco.

The Ocean Cleanup, a non-profit organisation, has developed a passive system which moves in tandem with the ocean currents in catch of floating plastic debris. The system consists of a 600-metre-long floater that sits at the surface of the water and a tapered 3-metre-deep skirt attached below. The floater provides buoyancy to the system and prevents the plastic debris from flowing over it, while the skirt stops the debris from escaping underneath. As the system moves through the water, the plastic debris continues to collect within the boundaries of the U-shaped system.

The system uses the natural current of the sea in order to collect all the plastic debris. Since the system is operated by the wind and waves, the floater remains on the surface, with

the plastic debris being primarily underneath it. This results to the system moving faster than the debris, capturing it with a net as the BSM crew pulls it onboard. The plastic debris is then recycled and turned into high quality products such as chairs, car bumpers, sunglasses or even phones.

This revolutionary initiative will lead to a 50 percent reduction of the Great Pacific Garbage Patch within the next five years and BSM is proud to be a part of it with its seafarers playing an active role.



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BSM heroes saving lives

End of last year, *MV Catharina Schulte* received a distress call from *MRCC Delagada*. The crew of a sailing vessel, consisting of four people from France, called for assistance as they were stranded about 1,000 miles away from shore with a broken rudder due to extreme weather conditions.

Capt. Sergiy Vasylychenko, Master of *MV Catharina Schulte*, immediately responded to the call and after consulting with the Fleet Technical Operations team, altered the course to save the stranded sailboat crew. With the help and coordination of *MRCC Delagada* and BSM's offices, the position of the drifting sailboat and

its crew was constantly being updated and the crew reassured that help was on the way.

After 12 hours of cruising at full speed and with a careful manoeuvre from the Master, the crew managed to climb on board the *MV Catharina Schulte* and all members received first-aid, dry clothes and warm food.

Upon arrival of the vessel at the Port of Cristobal in Panama, the Panamanian Coastguard was already informed and took custody of the survivors immediately. Just in time for Christmas, the crew was able to enter the French Embassy.



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