



General Service Announcement Christmas Island and Cocos (Keeling) Islands

Ref: Environmental Fuel Surcharge (EFS)

Singapore 13th November 2019

Dear Clients,

The **International Maritime Organisation (IMO)**, is a specialised agency of the United Nations responsible for regulating shipping. It has ruled that from 1 January 2020, marine sector emissions in international waters be slashed. The marine sector will have to reduce sulphur emissions by over 80% by switching to lower sulphur fuels.

Our ship, the "Borkum" currently uses IFO (Intermediate Fuel Oil) which is a blend of gasoil and heavy fuel oil. As a result of the above new regulations, the ship cannot continue to use IFO and must now convert to using MGO (Marine Gas Oil). MGO is a cleaner fuel with significantly less sulphur oxide emissions than IFO, and complies with the new regulations.

The cost of MGO is considerably higher than IFO. As a result fuel costs to operate the ship will increase and unfortunately this increase in fuel costs will have to be passed on to consumers.

Preparations to convert the vessel for an MGO consumption have to commence prior to January 2020 and we will make such arrangements already in December 2019 and therefore the Environmental Fuel Surcharge (EFS) of **AUD 760,- / TEU** and **AUD 20,- W/M** for all Break Bulk and Containers to and from Christmas Island and Cocos (Keeling) Islands will be effective from MV Borkum BK1909.

We will continue to monitor and review our operating expenses to the islands.

Best Regards



Lars Vetterlein

Liner Manager