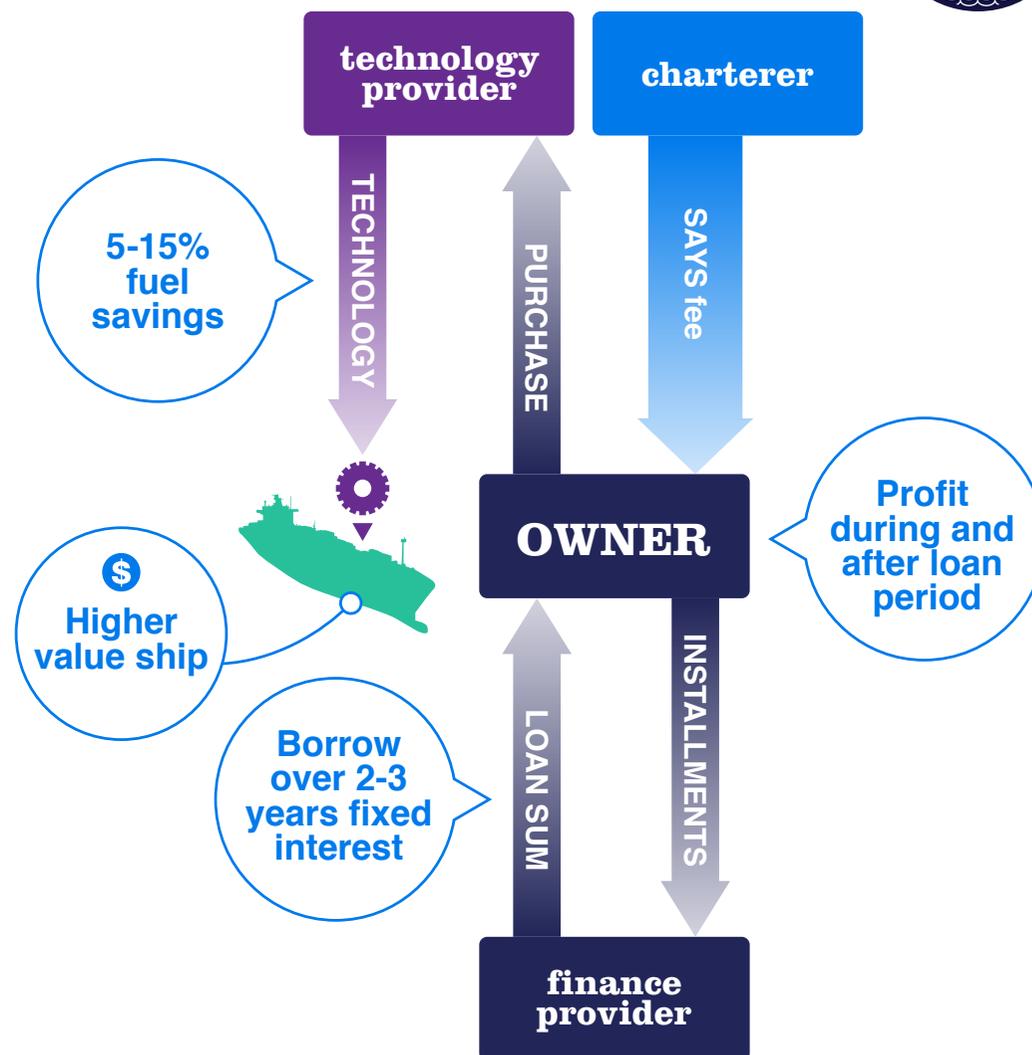


Can you save as your ships sail?



Built by the Sustainable Shipping Initiative (SSI) with Deloitte, Holman Fenwick Willan (HFW) and University College London, Save As You Sail (SAYS) enables owners to benefit from time charterers' demand for more efficient ships. Under SAYS, the owner takes out a loan with a finance provider and agrees a regular fixed SAYS fee with the time charterer on top of their charter rates. The additional income for owners represents a share of the cost savings that the charterer makes and, with proven established technologies, this can more than cover the owner's SAYS loan payments meaning owners profit during and after the loan period.

The 21 members of the SSI are offering leading owners the opportunity to pilot SAYS on a sector-exclusive basis with support from our partners and dedicated high-profile communications programme.



The benefits to the owner piloting SAYS

1. Higher value ship, attracting higher charter and resale rates
2. Retrofit loan from ABN AMRO
3. Higher quality performance data to use in marketing
4. Increased income during and after the loan period
5. Support from 21 SSI members, Deloitte and HFW
6. Dedicated SSI communications support to showcase your leadership with articles and presentations targeting top-tier media outlets and featuring at SSI Singapore conference

How SAYS works for owners

With a Save As You Sail (SAYS) package, you agree a 'SAYS fee' with your charterer based on the expected fuel savings, which can be supported by past performance monitoring data. The SAYS fee is incorporated by a simple variation to the charter party agreement for the vessel. It can be included in future charters as well. Up to 80% of the upfront costs are covered by a loan, with the remainder (e.g. 20%) paid by you to the technology provider. Over two or three years, you pay back the loan plus the fixed-rate interest. This summary has details of two worked examples. Opposite shows a container vessel retrofitted with slow steaming upgrades and intelligence combustion. Overleaf shows a dry bulker retrofitted with technologies that can further increase efficiency when dry docking is an option.

Why SAYS works

1. Fuel bill payers are already realising 5-15% cost savings with pay back periods of less than two years on large numbers of ships
2. Latest research by University College London (UCL) supports the idea that informational or split incentive barriers are obstructing the adoption of energy efficient technologies on ships and that in most markets there a link between efficiency and charter rates and sale values
3. Bunker prices are high and sulphur regulations and global demand will push up prices
4. Moody's analysis shows that shipping companies are struggling to gain access to financing

To express interest in Save As You Sail, please contact ssi@forumforthefuture.org

About the Sustainable Shipping Initiative

The SSI is a 21-strong cross-industry group of companies that represents ship owners and charterers, shipbuilders, engineers and service providers, banking, insurance, and classification societies facilitated by global NGOs Forum for the Future and WWF. Working cooperatively at the global scale to tackle big sustainability issues the Members work to demonstrate that shipping can contribute to – and thrive in – a sustainable future.

For more information visit www.ssi2040.org

Worked example 1: Slow steaming and intelligent combustion retrofitted to a container vessel



Container
48,000kW
max. power



Technologies

No dry dock required

Cost: \$367k

Fuel consumption prior to retrofit:
28 tonnes / day

Fuel saving: 7%

Fuel price:
\$611 / tonne

Fuel saved p.a.:
490 tonnes

Owner's net cashflow during loan:
\$3.7k / mo

After loan repaid:
\$12.5k / mo

Cash contribution to upgrade: \$73k

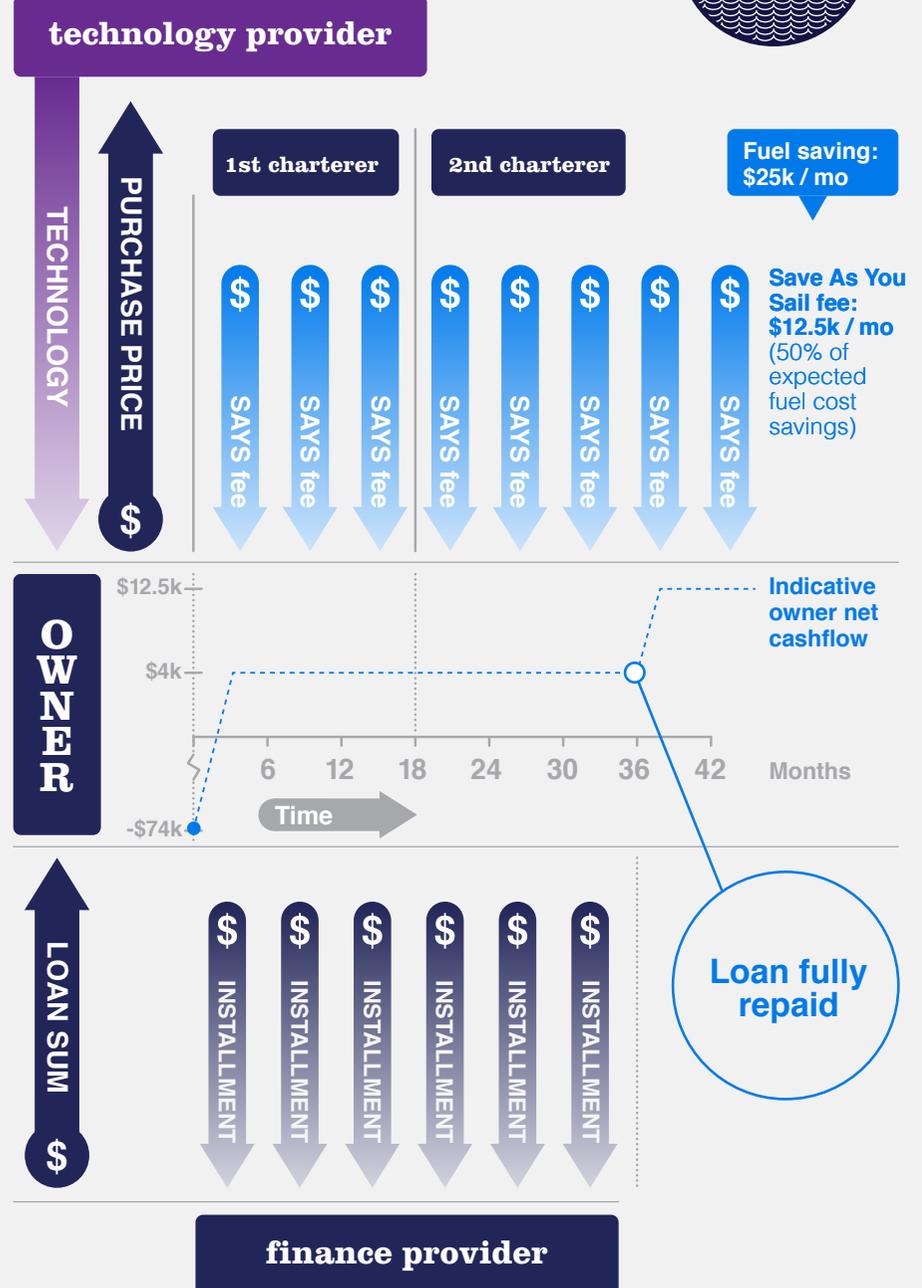
Owner's Net Present Value: \$520k

Owner's Internal Rate of Return on cash investment: 82%

Loan: \$294k
Term: 36 months
Interest rate: 5%

Loan for 80% of upgrade costs

Installments:
\$8k / mo





Worked example 2: Advanced fluoropolymer foul release coating, optimised propeller and propulsion efficiency optimiser fitted to a dry bulk vessel in dry dock



Handymax Dry Bulker

Technologies

- Fitted in dry dock
- Cost: \$680k
- Fuel consumption prior to retrofit: 28 tonnes / day
- Fuel saving: 11.5%
- Fuel price: \$611 / tonne
- Fuel saved p.a.: 805 tonnes

Owner's net cashflow during loan: \$4.3k / mo

After loan repaid: \$20.5k / mo

Cash contribution to upgrade: \$136k

Owner's Net Present Value: \$713k

Owner's Internal Rate of Return on cash investment: 66%

Loan: \$544k
Term: 36 months
Interest rate: 5%

Loan for 80% of upgrade costs

Installments: \$15k / mo

