2017 ISSUE

Spreading wings to Asia
Branch office in Singapore kicks off operations

Thomas Schulte Ship Management makes the difference

Ballast Water Management Convention enters into force
WELCOME TO
THE NEW DIGITAL
EDITION OF
THE CROW’S NEST...
...and welcome to the year of the “Fire Rooster”, which might be a pretty accurate description of what lies ahead. Then again, the industry is somewhat used to sail in strong winds but economic as well as geopolitical shifts could turn the index faster than expected, in either direction that is.

The Thomas Schulte Group has followed its course and we are happy to announce that our branch office in Singapore has kicked off its operations with a bunch of ships under management back in December of last year. Spreading our wings to Asia is a logical expansion of our service network and surely not the last one either.

It is important to distinguish between value growth and volume growth and whilst the latter is certainly gaining in importance in a world that is characterized by unprecedented consolidation, value growth is the backbone of this organisation and in essence what we are catering to our clients. We are confident that the year of the “Fire Rooster” will see us emerge on both sides.

Sincerely,

[Signature]

Alexander Schulte
CONTENTS
<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>Editorial</td>
</tr>
<tr>
<td>07</td>
<td>Spreading wings to Asia</td>
</tr>
<tr>
<td>09</td>
<td>Opening ceremony of Uniqa Maritime, Philippines</td>
</tr>
<tr>
<td>13</td>
<td>Thomas Schulte Ship Management — the team that makes the difference</td>
</tr>
<tr>
<td>17</td>
<td>Ballast Water Management — Convention enters into force</td>
</tr>
<tr>
<td>21</td>
<td>Time is life and value — fire on board PHILIPPA SCHULTE</td>
</tr>
<tr>
<td>25</td>
<td>LILLY SCHULTE: passage through the Strait of Magellan</td>
</tr>
<tr>
<td>27</td>
<td>Lost in the middle of the Atlantic — BALTHASAR SCHULTE crew</td>
</tr>
<tr>
<td></td>
<td>sights destroyed racing yacht</td>
</tr>
<tr>
<td>29</td>
<td>Imprint</td>
</tr>
</tbody>
</table>
Singapore: a leading maritime city in the world and an international trading port.
Thomas Schulte Ship Management has enlarged its network of branch offices. On 1st January 2017, Thomas Schulte Ship Management Pte. Ltd. Singapore, opened the doors in one of the busiest global shipping hubs. Our new location will represent the Thomas Schulte Group in the entire Asian region, and is able to provide our regional clients and customers all over the world with a comprehensive, highly benchmarked portfolio of ship management services.

The office is headed by an experienced manager and long-term associate of Thomas Schulte Group. He is supported by an expert superintendent and a versed purchaser/technical assistant. The Singapore office will enable Thomas Schulte to provide first-class technical management for ship operations and new building supervision in the region. The Singapore staff are able to attend all aspects of commercial management and crewing on behalf of the entire corporate group.

Thomas Schulte is looking forward to enlarging its business activities in Asia, and our team in Singapore is happy to welcome you to the office at

1 Maritime Square #11-05A
Harbourfront Centre
099253 Singapore
Capital of the Philippines, Manila, a dominant market of the shipping industry.
Though already in operation for quite some time, the offices of Uniqa Maritime Agency Phils Inc. celebrated their opening on the 8th September 2016. The company is a joint venture of the Thomas Schulte Crew Management (Cyprus) Ltd. – member of the Thomas Schulte Group of companies – and Transglobal Maritime Agency Phils.

The official summit began with the blessing of a Catholic priest. Chief executives Alexander Schulte and Michael Estaniel of Transglobal led the ribbon-cutting honours, so that the cocktail party with many distinguished guests could start. Atty. Primo Elvin L. Siosana of the POEA (Philippine Overseas Employment Association) office of the Deputy of the Administrator attended the event as well as many dignitaries from the maritime cluster in Manila and the local authorities.

Among the honoured guests were the Deputy Commercial Counsellor of the German Embassy in Manila, Theresa Huschka, the President of Pandiman, Capt. Andrew Malpass, representatives of the unions, bank managers, lawyers and representatives of other maritime agencies in Manila, and newspapers and maritime magazine correspondents.

On the part of the Thomas Schulte Group, Alexander Schulte, Frank Heidrich of TSM, Hamburg, and Andreas Droussiotis of TSM Cyprus attended the festive opening celebrations.
UNIQA Maritime Agency Phils Inc. is registered in the Philippines and fully licensed and accredited by the POEA for the recruiting of seamen. The company is in full operation with 16 experienced and highly committed members of staff, contracting a growing number of around 700 seafarers around the world.

The management of the Thomas Schulte Group expressed their gratitude to the partners and all employees, and thanked everyone for the excellent coordination and organization of the event.

**Contact**

UNIQA Maritime Agency Phils., Inc.
2F Planters Products Bldg.,
109 Esteban St. Legaspi Village,
Makati City,
Philippines 1229

Tel.: +632 847 9759/9799/9801
Fax: +632 834 6261
Email: management@uniqamaritime.ph

Uniqa Maritime Agency welcomes special guests on its inauguration day.
A Catholic priest gave the blessing to staff and guests.
TSM offers a unique service platform to deliver tailor-made ship and crew management solutions.

THOMAS SCHULTE
SHIP MANAGEMENT-
THE TEAM THAT MAKES THE DIFFERENCE
The Thomas Schulte Group has rebranded and combined its core ship management activities under the new name: “Thomas Schulte Ship Management”. This new entity offers the full range of maritime services around the globe from one source. “With the foundation of Thomas Schulte Ship Management (TSM) we have adapted to the market requirements and created an unique service platform to deliver our tailor-made ship and crew management solutions” explains Alexander Schulte, CEO of TSM. “This move brings us much closer to our customers.”

The vision of TSM is clear: to be a global quality leader in maritime asset management constantly engaged in efficient and innovative solutions. With the new setup the course has been set to reach this ambitious goal. The extensive expertise build up in Germany, Cyprus and the Philippines has been joined under one umbrella. And together with the new office in Singapore and the representative offices in Istanbul and Hong Kong TSM has enhanced its international presence.

The unified name enhances the recognition value on the market. Clients can easily identify parts of the group as all are working under the same name. A direct contact partner is always in the closer vicinity, so that direct communication channels are guaranteed. “Moreover, the expectations of our clients are addressed in the same way at every location”, Wilhelm Heidrich adds, technical director of TSM. These changes were not a pure launch of a new branch. “We used the opportunity to optimize our workflow and to streamline our processes at every location. A client can expect the same excellent service performed in the same way at any of our offices.”

TSM’s high quality approach is regularly verified by the classification society DNV GL as part of the quality system certification scheme ISO9001. Further DNV GL has awarded the “DNV GL Excellence” to TSM for outstanding performance in ship management. The scope of the certification gives independent evidence of reliable ship operations and compliance with above-average levels of safety, quality and environmental performance. Up to now, worldwide, only five other companies have obtained the certificate.

The challenge is to maintain these extraordinary high standards at modest expense levels. “We follow the corporate philosophy to optimize the equilibrium between high quality management and competitive OPEX figures, thereby enabling our clients to participate from our value chain,” comments Alexander Schulte. And that this philosophy can actually be transferred into the day-to-day business has been proven already the 4th consecutive time in a row by the BCG’s OPEX - Benchmark review, where TSM has repeatedly achieved lower operational expenses compared to the industry standard.

For a smooth, integrated and international workflow, one needs the right partners. Human resources are the key. Working together as a team delivers high performance results and nurtures long standing relationships. Backed by the vast experience of the team and the broad network, Thomas Schulte Ship Management is in a position to offer services that create added value to its clients. It is the team that makes the difference.
A team with a vision: to be a global quality leader in maritime asset management.
The full service scope is on offer, including but not limited to: technical management, crew management, financial and accounting services, newbuilding supervision, quality management, insurance as well as operations and chartering. Clients can choose from the whole portfolio exactly the service element, which they require — as truly one-stop-shopping concept, oriented to the customer’s needs.

An estimated 10,000 marine species are transported around the world in ballast water every day (NOAA).
Migration of species endangers global ecosystems: bacteria, algae, crabs, jellyfish, and all sorts of fish including many exotic organisms, travel to distant places by sea-going ships. Scientists have found that currently in the European seas alone, more than 1000 alien species can be found.

The ballast water tank is the secret stash where harmful invasive aquatic species lurk, posing one of the biggest problems to the global shipping industry.

In 2004, the International Maritime Organization (IMO) adopted the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM) to remedy the situation. It took 12 years for the IMO to collect all the state ratifications necessary for the entry into force of the Convention. Finally, on September 7th 2016, Finland signed in and thereby crossing the 35 percent threshold of the world tonnage needed.

The Convention obliges all ships in international trade to install a ballast water treatment system on the occasion of their next International Oil Pollution Prevention (IOPP) renewal survey after September 8th 2017. The United States will roll out slightly different rules, with shipping companies being obliged to mount a ballast water treatment unit at the next scheduled dry-docking of a ship.

By 2022 at the latest, all vessels will have to be equipped with an on-board water treatment system for ballast water, ensuring compliance with the required stringent limits of living organisms in ballast water upon discharge.

Research into the regulation of ballast water discharge and treatment has a long history. As early as 1932 the US National Institute of Health published an article recognizing the health risks associated with an unrestricted discharge of ballast water, despite volumes at that time being far lower than today. Now, global ballast water discharges are estimated to be more than three billion tonnes per year.
The European Green Crab invaded the Pacific coasts with dramatic impact on fisheries.

Native in the Americas, the Sea Walnut brings fisheries in the Black and Caspian Seas to a collapse.
Thomas Schulte Ship Management set up a comprehensive programme to install water treatment plants on all ships some years ago (please see The Crow’s Nest, July 2013). TSM applies effective concepts matching any kind of vessel and is ready to provide advice and support concerning ballast water treatment and the IMO Convention.

Our partners are kindly requested to contact the nearest TSM office for any additional information or assistance.

The Zebra Mussel from the Caspian Sea causes fouling of water purification plants in Europe and Great Lakes, USA.
A quarter of all fires on board of vessels break out in the cargo holds.
Fire on board vessels has been a thankfully infrequent but nevertheless terrifying occurrence over the centuries. A fire on a ship, regardless of whether on an ancient wooden freighter, a small craft or a large modern vessel made of steel, may cause serious damage. Many items on the limited space on board like fuel, electrical equipment or the kitchen, mess room and cabin furnishings are highly flammable. Heat generation may be so intense that it damages the ship's structure.

Many fires on board occur in the engine area, but as much as a quarter of all fires break out in the cargo holds. Recently, PHILIPPA SCHULTE was struck by a fire in one of her holds after the explosion of a cargo container. The container was operated by the charterer and the content description showed non-hazardous chemicals. It obviously did not require any other specific care or treatment other than that of a standard container, but yet it exposed crew, cargo and vessel to great danger.

Modern container vessels are high-tech means of transport. Naval architects have been working intensely on safety, but there is more to it than that. Firefighting systems, pumps, hoses and nozzles must be properly tested and ready for immediate operation. But most of all, a well-prepared crew is crucial.

When the fire was discovered, the PHILIPPA SCHULTE crew immediately closed the ventilation gaps of the affected hold, cutting off the air supply. Locating of the source of the fire and isolating it from its surroundings are of vital importance in the very first moments. The crew reacted rapidly and professionally, keeping in mind to approach the fire as safely as possible, i.e., not to exposing anyone to flames or heat.
Fires tend to expand. As there is no space to escape on board of a vessel, the questions of timing and timely protective measures are decisive. "Time is money" should be "Time is life and value" in this case.

When the ventilation was stopped, smoke started to consume the remaining oxygen. Additionally, CO$_2$ from the on board firefighting system was released into the burning area, diminishing the risk of the spreading fire inside the hold. To keep control of the process, the affected section was continuously cooled down by indirect application of water. As long as the investigation of the nature of the cargo in the burning hold is still ongoing, the supply of extinguishing water is particularly critical because of the risk of unpredictable reactions among the adjacent cargo.

Since the cargo manifests usually do not provide detailed cargo descriptions, the crew depends on fast landside office support. Fortunately, PHILIPPA SCHULTE received all the necessary information rapidly, so that it was quickly clear that all steps undertaken by the crew were well thought and executed.

The open fire was extinguished rapidly, yet access to the smouldering seat of the fire was impossible due to the isolation process of the overheated spaces. The ventilation gaps released thick smoke. Only by steady and continuous cooling could smoke emission be reduced substantially. Finally, a cautious and well-protected investigation approach into the hold showed that the fire was successfully extinguished.

Another stressful situation for a ship’s crew exposed to emergency response is the attempt of an emergency call at the next port. In the wake of the 2015 disaster in the port of Tianjin, China, and earlier shipping casualties, ships’ commands around the world are subject to many formal requirements before final clearance. The incident on PHILIPPA SCHULTE was thoroughly examined and approved by a fire expert, before being allowed to call at Singapore for further assistance.

What are the lessons learned?

A well-trained, professional crew, working hand-in-hand is crucial for the success of a firefighting operation. Thinking through the consequences before acting has a clear impact towards a positive outcome. With the excellent support of head office and contracting partners, the PHILIPPA SCHULTE crew conducted an immediate, well-targeted seaborne firefighting process, protecting crew, ship and cargo, resulting in only limited extent of damage.
Crucial for the safety of ship, crew and cargo: a professional crew working hand-in-hand.
The scenery changes from green grassland to spectacular fjords.
On her way from San Vicente/Chile to Bahia Blanca/Argentina, 3,651 TEU container vessel LILLY SCHULTE sailed through the Strait of Magellan, which connects the Pacific Ocean with the Atlantic Ocean. Our ship has been serving the Conosur since October 2015 and sailed the once-vital passageway every two months, separating mainland South America to the north and Tierra del Fuego to the south.

The great explorer Ferdinand Magellan (portuguese: Fernão de Magalhães) discovered the partially narrow passage with many islands and channels in 1520 and has lent his name to the natural waterway along the southern edges of the South American continent.

The route was quite difficult to navigate with a three- or four-masted sailing ship of the 16th century - and this is still true today for sailing boats because of the unpredictable winds and currents. But for centuries, the discovery of the Strait of Magellan has helped countless ships avoid the much more dangerous passage around Cape Horn. The strait was the safest and shortest connection between the Pacific Ocean and the Atlantic Ocean for seaborne trade. When the Panama Canal opened in 1914, the passage lost its importance.

But there is more to the 310-nautical-miles-long Strait of Magellan. The shores are sparsely populated and the scenery changes from green grassland to spectacular fjords with snow-capped peaks, hillsides and even glaciers. The Chief Engineer of LILLY SCHULTE has uploaded a 13-minute time-lapse video to YouTube, showing her passage in July 2016. The link to the video can be found on our Facebook page “Thomas Schulte Group”.

LILLY SCHULTE serving the Conosur.
Lost in the Middle of the Atlantic

Balthasar Schulte crew sights destroyed racing yacht.

Lookout spots a semi-submerged sailing boat at close vicinity to starboard side.
Our 4.250 TEU container vessel BALTHASAR SCHULTE on her way to Cartagena, Colombia, was crossing the Atlantic Ocean when the lookout spotted a semi-submerged sailing boat drifting at close vicinity to her starboard side. In accordance with good seamanship, Captain Robert Smetanin ordered the engine to be stopped and for the vessel to go alongside the yacht as close as possible in order to find out if anybody was still on board and required assistance. However, there was no one to be seen on the awashed deck or in the cabin.

Later research revealed that the boat, a 60-feet high-performing around the world racing yacht IMOCA 60, called 44, belonged to the British sailor Richard Tolkien, who set sail from Plymouth bound for New York in May 2016 together with 25 other solo skippers on The Transat bakerly, which is a famous ocean race. Tolkien had to abandon his yacht 44 (44 being the country code for Great Britain) in heavy weather at a position about 880 nautical miles west of Horta in the Azores. The fitting holding the staysail stay to the deck had ruptured and the sail was flailing around. When he tried to handle the problem on deck, he was hit by a glancing blow of the furling drum to the head and badly injured. So, he had to abandon his boat and called for assistance.

Using the Automatic Identification System (AIS), he luckily reached a bulk carrier at close vicinity on her way to Philadelphia, United States. Climbing up the pilot ladder was really hard, the experienced sailor had reported, happy to be safe on board the cargo vessel.

The command of BALTHASAR SCHULTE informed the owner of the stricken racing boat about its current position on the Atlantic. Tolkien is still hoping to rescue his yacht.