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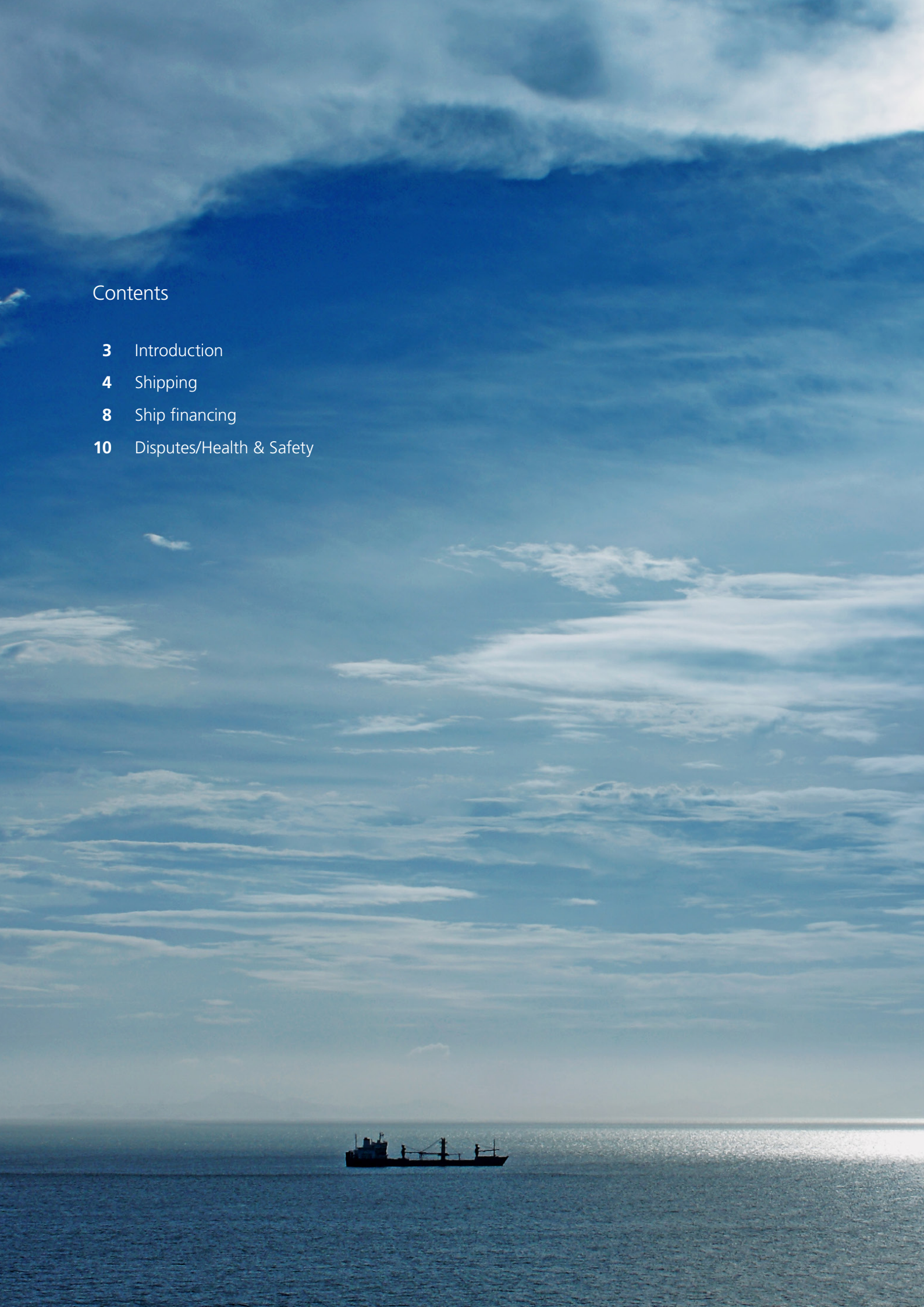
Law . Tax

# Shipping & Maritime



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# Introduction

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## A global law firm with local expertise

CMS has 59 offices in 33 countries across Europe, Russia, China, North Africa and Latin America. We operate as a seamless team of dedicated lawyers to deliver a service which will exceed your expectations and meet your evolving requirements.

Unlike the traditional one-off transactional approach, our model is built on strong, trusted and long-term relationships with our clients. By understanding your strategy and culture we are able to offer practical and relevant commercial legal advice to meet your needs.

## Our shipping and maritime practice

CMS Cameron McKenna has extensive experience advising across the maritime industry, from ferries to fishing boats and from FPSOs to offshore support vessels. As a result, we regularly advise on a wide range of matters within the maritime industry.

We are recognised as a leading and trusted adviser to a wide range of clients within the sector, including the Scottish Government, local authorities, financial institutions, leading national and international private companies and the 'supermajors' in the oil and gas market.

Our industry knowledge and specialist expertise allow us to offer clients much more than just technical legal advice; we are also able to advise on market practice, negotiating positions and risk assessment informed by a thorough understanding of local and international issues.

### **Our advice spans:**

- procurement and shipbuilding contracts;
- vessel sale and purchase;
- refit and repair contracts;
- charterparties, leasing and ship management;
- financing arrangements;
- operational maritime issues;
- transportation of goods by sea;
- harbour access arrangements;
- health & safety; and
- disputes and arbitration.



Very competent, very organised and very well resourced.

*Chambers UK 2015*

# Shipping

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With a highly specialised and experienced team, we know where the problems and pitfalls in shipping contracts can lie and are in a position to guide you through them. We pride ourselves on our ability to offer highly technical, industry-specific advice which is rooted in practicality. Our selected credentials include advising:

## **Ferguson Group**

- In relation to international ship purchase and financing, charterparties, towage, refit and repair contracts, ship management arrangements, supply contracts for offshore plant and equipment and various disputes arising out of those matters.

## **Caledonian Maritime Assets Limited**

- On the procurement of a new £42m roll-on roll-off vehicle and passenger ferry for the Stornoway – Ullapool route including drafting and negotiating the shipbuilding contract, supervision agreement, operating lease, charterparty and associated contracts.
- On the procurement of a new carbon hybrid ferry combining diesel and electric battery power, including negotiating the building contract and charterparty and arranging the necessary funding support from the Scottish Ministers.

## **Confidential ship owner**

- On vessel sale and purchase, arrangements with port authorities, salvage and other maritime issues.

## **OSX Brasil, SA**

- In relation to the engineering, procurement, construction and installation of various FPSOs for use offshore Brazil.
- On framework procurement contracts for high-value FPSO topsides modules.
- On shipbuilding contract for pipelay support vessel and related vessel design and equipment supply subcontract.

## **Pro bono**

- On the transfer of a grant-funded steamship of considerable historic interest from one charitable organisation to another.

## **Salamander**

- On contracts for the lease of an FSO, and associated operations and maintenance for the Bualuang field, offshore Thailand.

## **Stork Technical Services, Dominion Gas and ATR Group/Cosalt Offshore**

- On a range of contracts for the supply of equipment, products and services to clients in the North Sea.

## **BP**

- On construction, cost sharing, transportation, processing, operating services, allocation and sales arrangements for new UKCS developments.
- On the development of 4 deep-water oil and gas fields offshore Angola, involving EPCI contracts for 4 FPSO vessels, as well as procurement of the associated subsea systems, umbilicals, flowlines and risers.

## **Nautical**

- On contracts for the lease of an FPSO for the Kraken field development in the North Sea, including associated operations and maintenance, EPCI of subsea equipment and associated services contracts.

## **Scottish Water**

- On the transfer of the steamship SS Sir Walter Scott from Scottish Water to a newly established charitable trust.

## **A national power company**

- On the charter and leasing, terminal connection, pipeline usage and transshipment arrangements of an offshore floating regasification vessel for use in the importation of LNG from an offshore terminal.



### **Cairn Energy**

- In relation to a drilling project offshore Greenland including drafting and negotiating contracts for drilling unit procurement, well services, supply base and logistics support, fixed wing and helicopter charters and emergency and well control services.

### **Stobart Biomass**

- In connection with contractual arrangements for both domestic haulage and international transportation of wood waste including arrangements at UK ports and transshipment contracts.

### **Petrobaltic**

- On the purchase of a jack-up rig from Transocean.

### **Reinsurance**

- On the role and liability of a freight forwarder and coverage under a freight insurance policy.

### **Sevan Marine ASA**

- On the terms of a range of charterparties, IP licence agreements, FEED and pre-FEED contracts, services agreements and Duty Holder contracts for Sevan's patented cylinder-shaped FPSOs, including in relation to the Huntington, Western Isles and Catcher Fields.

### **Fishing company receivers**

- In relation to all maritime aspects of the receivership, including negotiating the sale of the vessel as well as the sale and transfer of the licence to fish and the fixed quota allocation units. This included managing the release by DEFRA of a freeze over the licence pursuant to the Sea Fish Conservation Act 1967 as well as liaison with SEERAD and the Fisheries Agency in relation to the sales of both licence and quota.

### **Financial institutions**

- On various aspects of their shipping connections including financing documents, ship sale and purchase, vessel arrests, Scottish fishing vessel decommissioning schemes, and insolvency issues.

### **BG Group**

- On a number of key procurement contracts for three fields in the UKCS including contracts for Integrated Control Safety System support services, provision and maintenance of turbines, subsea trees, flotel and heavy lift vessel, subsea EPIC and rigshare contracts.

### **GDF SUEZ UK and an International Oil Company**

- In relation to the preparation of a suite of charterparty agreements including review and discussion with client and client's brokers of BIMCO, company standard and bespoke charterparties for transportation of goods, anchor handling vessels, tug support, dynamic positioning and emergency response vessels.

### **GDF SUEZ**

- On voyage charterparty arrangements for the carriage of field development and transportation equipment from Egypt to Aberdeen.

### **N-Sea**

- On the terms of a BIMCO time charter for Offshore Service Vessels in the context of a tri-partite relationship with the counterparty and their head charter counterparty.

### **International Shipper**

- On a range of transportation and shipping contracts, as well as agreements with various UK ports for harbour access, stevedoring, storage and warehousing services.

## Harbour Access

We have advised on a number of bespoke harbour access arrangements including:

### Defence contracts

- Reviewed and reported on the arrangements between a major defence contractor and the port authorities at Rosyth for ship and submarine refit and repair.
- Advised another company within the same group on (i) the start-up of a special purpose vehicle to manage Faslane and Coulport naval bases on the Clyde under a five year contract valued at £80m p.a. with a five year option to extend; and (ii) the outsourcing of the operation and maintenance of the Faslane Naval Base.

### Scottish Local Authority

- Advised on the range of marine services being provided by the harbour authority to the offshore industry along with various procurement, vires and state aid issues.

### SEStran

- Reported on various aspects of the proposals to run a 75-person passenger ferry between Burntisland and Granton and/or a hovercraft service proposed by Stagecoach to run between Kirkcaldy and Leith. This included advising on harbour access arrangements, harbour infrastructure, and relevant statutory rights to build and access harbours.

### Highland Council

- Advised on the formative management and delivery of the Small Isles harbours improvement project. This included providing advice on procuring contractors for 5 harbour upgrades across the Small Isles and Loch Nevis.

## Subsidised ferry services

We have worked on ferry projects for many years and have an enviable reputation in this sector. This work necessitates not only expertise in the maritime industry but also a deep understanding of public procurement and the EU Regulations which underpin the lifeline nature of these services:

### Scottish Government – subsidised ferry services

- The 2011 retendering of the subsidised ferry service operating between Gourock and Dunoon.
- The restructuring of Caledonian MacBrayne Limited into an asset-owning company (transferring to it the ownership of 24 harbours on the west coast of Scotland and a number of ferries) and a service-providing company.
- The tendering and procurement of the lifeline ferry services to Orkney and Shetland including the finance leases in place in respect of the vessels and the ship manning contracts.
- The tendering and procurement of the ferry and harbour services in and around the Clyde & Hebrides, including reviewing and advising on the operator's harbour access arrangements.
- The subsidised load-on load-off freight ferry service to the Northern Isles and the proposed subsidised passenger and freight ferry service from Campbeltown (Scotland) to Ballycastle (Northern Ireland).

These subsidised lifeline ferry services constitute public service contracts under the EC Maritime Cabotage Regulations and are also regulated by the guidelines for State Aid in the maritime sector.

### Other ferry matters

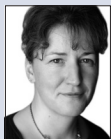
- One of a team of consultants which advised the Department of Gaeltacht, Environment and Rural Affairs in Ireland on a proposed subsidised freight ferry service from Galway to the Aran Islands.
- Advised the public sector on the issue of a tender for subsidised ferries to service the sea route between Malta and Gozo.



## Members of our team also have experience of advising on:

- ship grounding and collision claims including a collision between two vessels in Argentina involving General Average, arrest issues, security, and salvage under Lloyd Open form;
- Master Services Agreements;
- bills of lading;
- property and liability (insurance and reinsurance) claims in litigation, arbitration and mediation arising from personal injury, pollution, wreck removal, collision, grounding, Particular and General Average, salvage and piracy;
- piracy claims in the Gulf of Aden, securing the release of vessel, payment of ransom, GA expenses, labour and repatriation costs; and
- breach of safe port warranty in a charterparty including issues of contributory negligence by the Master, port's traffic management, port management and management of emergency situations.

## Key Contacts



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# Ship financing

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CMS advise extensively on all aspects of ship finance, including secured lending, leasing and restructuring. We have assisted a wide variety of banks and private companies with the financing of new and used vessels and equipment, including drillships, jack-up rigs, offshore support vessels, FPSOs, FSOs, FSROs, FLSOs, semi-sub, LNG vessels and many other types of ship.

We regularly advise on restructurings and workouts, bankability reviews, funded asset acquisitions, borrowing base financings and project financings and syndicated and bilateral facilities with and without ECA support and/or ECA direct lending. Members of our team have advised on the following transactions:

## **OSX Brasil SA**

- In respect of the US\$420m financing of FPSO 'OSX1' by a syndicate led by DVB Group Merchant Bank (Asia) Limited and chartered to OGX Petróleo e Gás Participações S.A. for use offshore Brazil. This transaction won Shipping Debt Deal of the Year, South America (Jane's Transport Finance Awards 2010) and Project Finance Deal of the Year 2010 (Marine Money Awards 2011).
- In respect of the US\$850m financing loan facility from a syndicate of lenders for the construction and operation of FPSO 'OSX 2', to go on charter following delivery to OGX Petróleo e Gás Participações S.A. for operations offshore Brazil. This transaction won Oil and Gas Deal of the Year, Americas, Project Finance International Award 2012 and Latin American Upstream Deal of the Year (Euromoney 2012).
- In relation to the issue of US\$500m of secured bonds arranged and managed by Pareto Securities and DnB Markets in the Norwegian High Yield Debt market. Proceeds were employed in the construction and operation of the FPSO 'OSX 3'.
- Acting as counsel to the OSX corporate group in connection with its preparation for entry into processo de recuperação judicial in Brazil. The entry into insolvency proceeding by the OGX and OSX corporate group constitutes the largest corporate insolvency proceeding in Latin America's history.
- Advising OSX's Leasing Group on the restructuring of its business, including liaising with creditors in respect of its US\$420m FPSO OSX 1 syndicated debt financing and its US\$850m FPSO OSX 2 syndicated debt financing.

## **Leading European bank**

- In connection with the pre and post-completion financing of US\$170m jack-up type Friede and Goldman Super M2 rig.

## **Erste Group Bank AG and Banca Romana Commerciala SA**

- In relation to the US\$177m financing of five jack-up drilling rigs operated in the Persian Gulf and Black Sea acquired by Maltese subsidiaries of Group Servicii Petroliere SA.

## **Ocean Rig UDW Inc**

- In relation to the restructuring of its senior secured term loan in respect of its refinancing of four drillships on charter in Brazil and West Africa.

## **A leading European financial institution**

- In relation to a joint venture through which two LNG carriers are owned and operated, including on vessel owner share acquisition, subsequent restructuring of the ownership and reflagging of the vessels and amendments to the existing loan facility.

## **Arranger and bookrunner**

- On a pre-IPO convertible bond offered by a West African offshore support vessel provider. The bond was secured by way of second-ranking security over more than 20 offshore support vessels flagged in a variety of jurisdictions around the world.

## **Texaco**

- In relation to the initial defeased lease financings of an FPSO, Well Head Protector Platform and related subsea equipment for exploitation of the Captain Field in the North Sea with a combined value of approximately US\$1bn and representing Chevron North Sea on a subsequent restructuring of these lease facilities.



### **Eksportfinans, The Export-Import Bank of Korea and Deutsche Bank AG**

- On two debt facilities for Drillship Kithira Owners Inc and Drillship Skopelos Owners Inc, for the construction and acquisition of two deep drill vessels to be manufactured by Samsung Heavy Industries (Jane's Transport Debt Deal of the Year).

### **Eksportfinans and GE Energy Financial Services**

- In connection with the US\$400m pre and post-delivery debt financing of the Sevan Driller, a cylindrical FPSO with deep water drilling unit.
- In connection with the US\$300m pre and post-delivery debt facility for the FPSO Sevan Voyageur and on its subsequent restructuring to repay the commercial lenders on the back of a mezzanine high-yield bond issued by Sevan Marine ASA.

### **The Royal Bank of Scotland plc**

- On the financing of a fleet of tugs involved in refinery support work in the Thames Estuary.
- On the refinancing of a fleet of workboats providing naval and offshore support in the UK and Europe and subsequently on the inclusion of a new build workboat into the fleet.
- On the acquisition financing of a fishing company including putting into place appropriate security over each of the 5 fishing vessels.

### **National Australia Bank**

- On the purchase and financing of two Panamanian-registered LNG vessels.

### **Financial Institution**

- On refinancing of a fleet of passenger cruise ships including Section 10 issues, a complex intra-group chartering arrangement and an offshore crewing arrangement. Subsequently advised the administrators (appointed in respect of both owner and charterer) on the sale of one of those cruise ships and on a number of subsequent claims relating to liens.

### **Financial Institution**

- On insurance issues arising from loss of vessels at sea, enforcement of security, ranking of claims and liens, ship arrests and sale and transfer of licences to fish and fixed quota allocation units.

### **A leading offshore regasification unit owner**

- On the financings of two FSRUs to be chartered to two separate oil and gas majors.

### **A national power company**

- On the charter and leasing, terminal connection, pipeline usage and transshipment arrangements of an offshore floating regasification vessel for use in the importing of LNG from an offshore terminal.

### **Chevron Shipping**

- In relation to the possible restructuring of tax leases of various Aframax and Tanker vessels.

## Key Contacts



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# Disputes/Health & Safety

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When disputes arise, clients expect their lawyers to be true specialists, understanding the industry, marketplace and their immediate concerns. We work with clients on dispute avoidance as well as dispute resolution and we have significant experience in ADR. Wherever you need us, you will receive a seamless service from an outstanding team of international arbitration practitioners and litigators with local support in 53 cities including Algiers, Dubai, Singapore and Rio de Janeiro.

Highlights of our recent experience include:

## **Norwegian vessel owner**

- Acted in relation to proceedings seeking the arrestment and sale by a mortgage holder in relation to a vessel moored off the coast of Scotland.

## **Norwegian charter company**

- Acted in an LCIA arbitration concerning an alleged breach of the contract relating to the hire and damage of a drillship offshore Trinidad.

## **Oil and gas production and development company**

- Advised on a Commercial Court dispute worth over £10.4m regarding the hire of an FPSO.

## **Brazilian vessel owner**

- Advised on contractual and extra-contractual claims for damage sustained to an FPSO at a South Korean shipyard, including conflict of laws issues.

## **Vessel construction in Brazil**

- Advised on joint venture arrangements for the development of a shipyard for the construction of offshore vessels and equipment.

## **Egyptian port facility**

- Advised on a US\$100m arbitration relating to the construction of a port facility in Egypt.

## **Comhairle nan Eilean Siar**

- Successfully defended adjudication proceedings raised by a Contractor pertaining to unforeseen physical conditions on the seabed during the extension of the pier/breakwater at Kallin Harbour.

## **North Sea Contractor**

- Litigated claim and counterclaims in the High Court and Court of Appeal (totalling approx. £20m) arising from the construction of an FPSO.

## **Liquidators**

- Advised on arrest, transfer of ownership and appointment of the captain of a yacht as part of advice on protection and realisation of assets in an insolvency arising out of a significant international fraud.

## **US based oil service company**

- Acted in relation to the provision of engineering services equipment in relation to an FPSO. Commencing arbitration and advising on the potential arrest of the FPSO in Dubai. Advised on issues of insolvency under Norwegian law following bankruptcy of the owner of the FPSO.

## Health & Safety

We have extensive experience of health and safety issues in the maritime sector. Recent work includes:

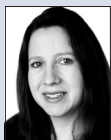
- Advising on liabilities relating to FPSOs following health, safety and environmental incidents, including most recently, gas releases as a result of failed equipment and loss of materials during bad weather, involving unidentified containers of chemicals.
- Giving emergency response and advice to an offshore operator in relation to lifeboat failure resulting in a fatal accident, with subsequent HSE and police investigation.
- Advising on a large-scale investigation into an engine room fire and explosion, with the potential to cause a major multi-compartment fire; assisting client in responding to HSE investigations and on-going enforcement action.
- Advising on health & safety prosecution and coroner's inquest following a fatality in a cargo tank; also advising in relation to claim from family and others claiming PTSD.



## P&I Club expertise includes:

- Acted for a number of years as appointed solicitors on the P&I Club Managers' Errors & Omissions Lineslip led by Janson Green/QBE at Lloyds, including instructions for alleged errors by Managers of Steamship Mutual, North of England and Liverpool & London Clubs.
- Acted in a number of disputes involving reinsurances of P&I Clubs, acting for reinsurers and reinsurance brokers. Acted for the brokers in *Commercial Union v Mander*, a dispute involving reinsurances by Lloyds of a number of clubs. Acted for the reinsurers in *GIO v Liverpool & London*, a dispute involving reinsurances of both the (now defunct) Liverpool & London Club and Ocean Marine Mutual.
- Acted for the broker in a claim brought by a major Norwegian P&I Club against its reinsurers for losses incurred under facultative reinsurances of oil platforms in the Gulf of Mexico.
- Acted in a number of similar disputes relating to reinsurances of stevedoring mutuals including Signal Mutual and American Longshore Mutual Association, the underlying claims involving personal injuries and Jones Act claims.
- Represented E&O underwriters' interests in a substantial claim made against a P&I Club and its managers following the rejection of a discretionary claim lodged by a club member concerning the grounding and subsequent arrest of its vessel.

## Key Contacts



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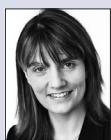
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