

Opening Remarks

This update is dedicated to all our shipmates that have travelled to the vessels this week for the many crew changes that have taken place. Your dedication to the job and your commitment to relieving our fellow mariners is greatly appreciated. A note of thanks is also in order for our Houston travel staff. There have been many flight cancellations over the last couple of weeks. Brenda and her colleagues have been working hard to make sure everyone gets to where they need to go in the face of these disruptions.

ConocoPhillips and Polar Tanker News

Working Remotely/Microsoft Teams: Office personnel are finishing up their third week of working remotely. Business operations continue uninterrupted and people seem to be getting used to the new arrangement. One winner in this process appears to be Microsoft Teams. Prior to the pandemic, many people were still not using Microsoft Teams. However, it is a better platform to conduct meetings than Skype so its use has been greatly accelerated among the staff to the point where some people are no longer using Skype at all.

HSE, Polar Medical, and COVID-19 Management: As you can imagine, our medical group has been front and center with managing our response to the coronavirus pandemic. They are presently collaborating with HSE and Operations to develop some standardized guidelines for removing crewmembers from our vessels that may have the COVID-19 disease. This is requiring coordination with our launch service providers and frequented terminals. Hopefully, this is a guideline that will not need to be used.

A couple of our members have inquired as to the possibility of proactively stocking the vessels with hydroxychloroquine and some other medications that have shown some positive results in treating the COVID-19 disease. I posed this question to our medical department as well as did some research using other information resources. Hydroxychloroquine, an anti-malarial drug, is not presently FDA-approved for use with the COVID-19 disease. It also poses risks to patients with certain medical conditions. That said, the University of Minnesota as well as four other facilities around the world are expediting tests to determine a safe level of confidence on when and how hydroxychloroquine can be used against COVID-19. Until this process is complete and FDA approves it, we would not be administering this drug. It's my opinion that the crewmember will be long removed from the vessel prior to having to make a decision like this.

The Corporate HSE group is in the process of procuring anti-body test kits that can be used to determine if a person has been exposed to the coronavirus by testing for the antibodies present in the bloodstream. Two hundred of these kits have been reserved for use by Polar, but it has not been determined on how these tests will be managed at this point.

To date, six Polar employees have not been able to return to work based on the pre-screening results. Two of the six employees were suspected of being infected with the COVID-19 disease. Test results of these employees have not been received yet, but both people are showing signs of improvement.

Purchasing: The Purchasing Department is presently working on trying to source N95 Masks for the vessels so that they can be used by departing crewmembers.

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VSAT and Guest WIFI: Our I.T. group is actively collecting data and preparing guidelines for use of the Guest WIFI network on board. Silver Peak, a network management tool, is being used to analyze usage patterns on board in a manner that was not possible before. The diagnostics have shown that the Guest WIFI network is taking large amounts of bandwidth. This, in part, has to do with the number of personal devices, that are being supported by the network. One vessel had forty-two devices logged into the network at one time. For example, with Apple devices, pictures are being uploaded and then shared with your other Apple devices that are also logged on to the network. I.T. reported that Netflix was being used which was taking large amounts of bandwidth. This is hard to believe based on the relative difficulty of receiving a picture via text. That said, if you know of any crewmembers streaming Netflix content, please have them stop. It negatively affects everyone else. As a result of these findings, COP will be taking a much more active management role with the Guest WIFI network.

Network Innovations is still scheduled to take over from Golden Eagle as the V-SAT service provider. One change to the process, is that the existing VSAT antennas will be used.

Engineering News: Engineering has reduced contractor attendance to only critical items such as regulatory required inspections, urgent repairs, etc. The inability for some contractors to travel is forcing us to reach outside our normal vendor network. Consequently, additional crew oversight and guidance may be required to maintain safe operations.

The 2021 shipyards for the Enterprise and Resolution will likely be pushed out a couple of months based on the present situation and delays to the Endeavour and Discovery shipyards. No firm alternative dates have been set as of now.

Alaskan Operations: RavnAir, the one airline servicing Valdez, has declared bankruptcy as a direct result of the COVID-19 pandemic. RavnAir has been a sole link to many remote Alaskan communities so hopefully a solution will be found and quickly implemented. Additionally, the rental car facility in Valdez is presently shut down. As an alternative, Valdez Expediting has offered use of its van for business operations. Consequently, travel to and from Valdez is very limited at the moment.

The Alaskan North Slope has not slowed its oil production. April 14th has a projected high point inventory of 94 percent at VMT. Aleyeska has decided to put one of its isolated storage tanks back in service which is scheduled to come online May 9th.

Commercial Marine: The oil for April and May has already been sold. However, Commercial, like everyone else in the industry, is having a real challenge to find buyers for the oil in the June-July window. All options are being looked at and the Operations group is actively involved with the Commercial group to evaluate possibilities. The fact that tanker charter rates are presently so high is a major factor in having that oil lifted by Polar. These options, although some are very remote, range from a Panama Canal transit to exports to Asian countries.

Operations: In addition to working many marketing solutions with Commercial, the Operations group is currently faced with additional challenges. Some of the terminals have placed restrictions on individual vessels. Consequently, every effort is being made to both mitigate or lift these restrictions as well as not have any more restrictions put in place. One example of this that senior officer relief coordination was initially going to be relaxed due to the crew change out extensions. However, in order to avoid any

conflict with terminals, some coordination is being maintained while also trying to minimize hardship placed on crewmembers.

Industry News

Emergency Meeting of OPEC and OPEC+ countries, G20 Energy Minister Meetings: Yesterday, an emergency meeting was held remotely with OPEC and OPEC+ countries. Typically, OPEC countries meet twice a year in the OPEC headquarters located in Vienna, Austria. The present crash of the oil markets triggered this emergency meeting. A 10 mb/day production cut was proposed from this OPEC+ meeting, but it is far short of what is required to stabilize prices. Additionally, Mexico would not commit to the 400,000 bpd cuts that are their proposed contribution. The oil markets responded poorly to the announcement. The present estimated global over supply is now estimated to be close to 30 mb/day. The Saudis and Russians are wanting U.S. companies to announce voluntary production cuts. The market conditions are forcing production cuts without any regulations, but even a speculated 5 mb/day reduction by the U.S. as reported by Bloomberg News will likely not significantly improve the market. There were no major news developments from the G20 Energy Minister Meetings, but it's my opinion, that active negotiations are taking place in attempt to come to some agreements.

A Sea of Oil: Oilprice.com reports that Saudi Arabia has already been following through on its earlier promise to boost production. Seven VLCCs, carrying 14 million barrels are presently en route to the Louisiana Offshore Oil Platform (L.O.O.P.). In comparison, 2 million barrels were shipped in the previous month. Bahri, the Saudi state-run shipping firm, chartered most of the available tonnage, which was a major driver for the increasing tanker charter rates. In addition to chartering, Bahri also operates forty-one of its own vessels.

Chinese Strategic Petroleum Reserve – The Chinese Strategic Petroleum Reserve is estimated to be eighty percent full and have a capacity of 500,000,000 barrels. Like the U.S, China will be filling its reserve to maximum capacity.

Oil Industry Companies Going Out of Business: It is speculated the larger companies will be better able to weather this storm than small operators. As examples of this, Whiting Petroleum and Hornbeck Offshore Services have both filed for bankruptcy.

History Notes

I plan to start adding some historical information to inform our membership about the association to help add some definition to who we are as a group. The decision to make this addition was after having great conversations with both a former AMOA chairman Joe Baker and a former president of Arco Marine, Jerry Aspland. I have never met either of these gentlemen, but I found their insights and experience to be valuable.

As a starting point, why is the name of our Association the Atlantic Maritime Officers Association? The original company that we were affiliated with was the Atlantic Refining Company that was incorporated in 1870. In 1874, Atlantic Refining became part of Standard Oil and acted as its refining division until the Supreme Court ordered the conglomerate's dissolution in 1911. At that point, Atlantic Refining Company became its own entity once again. Soon after, the company realized it required its own fleet of ships to transport product. Atlantic Refining Company's first ship was the 10,200 DWT S.S. H.C.

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Folger. She was built at Union Ironworks in San Francisco and entered service in 1916. The Atlantic Maritime Officers Association did not get formed until years later in 1938, but our name came directly from Atlantic Refining. AMOA was formed and managed by the company to keep the national unions from organizing the ships. A legal challenge eventually required the Association to be managed by the members rather than the company. With further research, I plan to add some more details on this in a later edition.

Closing Remarks

April 17th marks the 20-year anniversary for Polar. Approximately sixteen of our members and five captains were here on this date twenty years ago. I was one of the first two employees hired following the transition from Arco Marine, so I have been able to witness the evolution of Polar. Our company and our association have faced many changes and challenges in that timeframe. In my opinion, the three major drivers through all these changes and challenges have been technology, regulation, and leadership. How we manage and interface with those three factors determines the success of our actions.

For our fellow mariners on board, stay safe and please enjoy the company of your shipmates on Easter Sunday.

Best regards,

Pete Feeney

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