

Opening Remarks

Fellow Mariners and Marine Professionals—Happy National Maritime Day. I should have been clued into this, but I needed to be reminded by Mr. Luke Velho. Thank you, Luke. National Maritime Day was established to reflect the gratitude for the maritime industry and all the benefits it brings to our country. I think as years have gone by and the maritime industry has not been in the forefront of everyday life, it is easily overlooked. However, the industry encompasses all of us, from the mariners to the machinists, to the marine assurance groups. Collectively, we all form the wheel that keeps the commerce moving forward.

ConocoPhillips and Polar Tanker News

There was not a whole lot of news to report from the office front this week. There is still only about 25 percent of the Polar staff in the office. Phase 2 of the office opening was just announced. Phase 2 will increase the number of people in the office but will also introduce alternating schedules for personnel.

The focus in the office this week was continuance of budget preparations. The process starts with Alaska generating a production profile. The commercial group also feeds Polar a voyage profile for the next year. From there, the budget is built.

The planning for the Endeavour shipyard is another element that is presently in a fluid state of development. Singapore is in the process of opening back up, but the exact conditions are not yet known.

Industry News

The investment world plays a large role in both the short-term and long-term financial health of our company. Mark Keener, VP of Investor Relations recently gave a very informative presentation as part of Global HR Town Hall Meeting. He started by describing the investment landscape and how it has changed over time. About twelve years ago, the energy sector made up about fifteen percent of the S&P 500 stocks on the New York Stock Exchange. By November 2019, this percentage had fallen to approximately four percent and fell even more during the COVID pandemic. The silver lining in this is that ConocoPhillips is seeing a return of the large, long-term investors that were looking for the right price point for COP stock. Mr. Keener said this return to our stock is in part due to the management team we have in place and the financial strength of our company in relation to some of its peers.

History Notes

In the process of working on an AMOA web site, research was done for a history section for both the maritime companies AMOA has served as well as the Association itself. There was a lot of labor unrest in the 1930s that encouraged oil companies and the mariners on their ships

to form independent unions. One of the salient events of this era in the labor market was the 1934 West Coast Longshoremen's Strike.

The 1934 West Coast Longshoremen's Strike was a defining moment in maritime labor organization and the U.S. Maritime Industry. This strike was held by the International Longshoremen Union (ILU) with a main objective to take control of job distribution away from dock foremen who were often perceived as not dispensing jobs in a fair and equitable manner. In short, the ILU wanted to establish a hiring hall. The movement was centered in San Francisco, but it was a coordinated activity with other ports. It started May 9th and lasted for eighty-three days. It effectively shut down maritime commerce on the West Coast. Thousands of people were involved including International Seamen's Union (ISU) members that deserted more than fifty ships, idling them in San Francisco.

Fleet Council News

The AMOA web site will be rolled out soon. Fleet council members are in the process of reviewing the content. It has sections that are open to the public as well as a member only section. To access the member only section, your username is your COP/NS-5 username. Upon initially entering the site, it will ask you to change your password. Once the site is open for business, I will notify everyone.

Ship of the Week – Polar Adventure

New to the AMOA Update staff, Field Reporter and Life Coach Larry McDougall sent this in from the Polar Adventure last week.

“Who moved my Cheese”? Some may remember some 20 years ago, multiple copies of this book appeared on board our fleet of ships (1998-1999).” The book is a parable about the inevitability of change, the ways in which we typically deal with it, and how revising our attitude towards change can reduce stress and increase success”, (Shortform.com summery). Who knew at that time when the books reached the ships what was coming down the pipeline (pun intended)?

Here we are in 2020, and COVID-19 is front and center and disrupting our daily lives in some shape or form. Whether our family and friends may experience layoffs that may last weeks or months, it is an impact to what we are accustomed to doing and planning for. In our industry we are seeing the cost of oil just now ticking a bit up daily. Our ELT/MMT has done a great job communicating developing ideas and putting plans into place to protect our assets. Many of those plans took place years ago not knowing what exactly what we are experiencing right now, but to keep protections in place for our people, which are our assets.

Changes come and go, and the choice is yours to make whether you can accept these changes, no matter if they are subtle or major. Recently we were tasked to plan a voyage to head overseas to a port none of us had ever heard of. A ton of work accelerated to look at many

Your Fleet Council – Kent Anderson (D), Drew Brown (D), Adam Estabrooks (Vice Chairman), Pete Feeney (Chairman), Mark Middleton (D), Brian Ross (Secretary/Treasurer), Leiden Tochtermann (D)

variables to make this voyage happen in short order. Cargo orders, fuel orders, lube orders, stewards' orders, crew changeouts etc. All this came down to team members' cooperating with one another to reach the end goal. Here is where the "Who moved my cheese" comes into play. Some crew members were excited to make the trip to somewhere else besides the normal runs and some were not. Some folks like the long voyage passages and some do not. Some crew do not like port calls in foreign ports, and some look forward to seeing something new. The reality had sunk in that this could be a real possibility and come to fruition very quickly. You start to notice the signs almost immediately when a change is coming. Anticipation, anxiety, and excitement among the crew. These are the changes we must overcome individually. Yes, we may need to coach some of our crews to be able to accept a change no matter what it is. This is the profession we have chosen to provide for our families and their future, and the changes will continue through our entire career. Adapt to those changes and or roll with the punches as they present themselves. The leg work from both the shipside and shoreside was quick, many phone calls, emails and now the new Microsoft Teams program were in high gear daily, until the next change came along. The foreign voyage would now be given to another ship in our fleet. Again, you see the signs presenting themselves only flip-flopped. The crew members that had anxiety of a foreign passage are now relaxed. Those that like a long passage and away from the usual runs are disappointed, and so on. It was a great learning experience to see from the QAO chair, as the QAO is in the middle of it all and you seem to be called on from time to time as the unofficial "councilor". Coming from a Marine Corps background to the commercial side was a learning curve. Retired Colonel J.P. Holder summarized it best: "There are two leadership objectives. The PRIMARY objective of the Marine Corps Leadership is mission accomplishment. This requires a goal-orientated approach. A leader must identify long term goals for the team and the short-term steps the organization needs to take to achieve those goals. The SECONDARY objective of the Marine Corps Leadership is troop welfare-which can also be described as team welfare or individual welfare. This objective requires empathy on the part of the leader to make sure that the needs of those in the team are looked for" My adjustment is now the reverse as we need to look after our crews first, and the mission is the secondary. Since our vessel was no longer going overseas, and another was, I 'am sure the same signs within the crews were present there as well. We than began the process of sending over the information we had planned to the other vessel to help our fellow teammates. With the COVID-19 in everyone's minds, the vessels ever changing schedules; keep in mind the ever-changing schedules disrupt the norms of our fleet staffing coordinators and our fleet travel advisors. They are adapting to same changes we are in rapid fashion and with much success. Times are tough and we need to learn to adapt and accept the changes. If you see a crew member having a difficult time adapting, or see them stressing; step up, be a leader no matter the rank and coach them. After all, our primary objective in the fleet is "Troop Welfare"

Closing Remarks

Will there be consolidation with the E&P industry? Our CEO Ryan Lance has noted the need for this on several occasions. When recently asked if ConocoPhillips would consider acquisitions during this market downturn, he responded by saying it would be a possibility, but it would need to fit COP's financial framework. In my opinion, that statement means an attractive investment would be an upstream company with a low cost of supply, a cashflow centric business model and not a lot of debt. It is hard to imagine a scenario where COP would take on a lot of debt or spend a large portion of our cash reserves on a purchase. I think a realistic scenario is that a merger would provide a company with our technology or something that could further reduce that company's cost of supply.

Again, Happy National Maritime Day. For our mariners and shore staff "on the beach," have a great Memorial Day Weekend and please give a toast to the mariners on the ships that are keeping the mission moving forward.