Appendices to the Final Preliminary Report

Appendices 1 - 4

Prepared by the Transport Accident Investigation Commission for

The Royal Commission of Inquiry into the Sinking of the MV Princess Ashika

15 February 2010

Ongwal Keuren Monded to Mounen Poets - Tonga after 15+ Visit to Fitt			a' a'		A
Princess Ashika IMO 385168 Somrtimats @GT 680tonnes 390pax 15crew 370 tonnes cargo Survey December 2008 Valid to December 7010 - Fiji Marine Board - Rusine Waqa	6 plates replaced in void 12/08 Dry Dock. Cleaned/painted. Some inserts but generally limited rust. Good limited rust well painted throughout	All areas water tight TBC Bow/Stern Stern ramp to be Spec for SCP, may need lengthening with flaps Im Bow short. Good condition Sealed at pax level. Cargo hold partly open, need screens to protect from sea/weather. Plate insert or canvas. Upper deeds white, good condition, apper deeks good. Hull reasonable Densted and well painted Secure with seals and bolts in good condition. Excellent condition with no russ. OK All replaced at survey TBC Fuel water, sewage OK	All OK Good Junited nat well painted throughout Good ventilation in all areas especially engine room, crew areas aircon TBC All good	TBC	TBC
Vissel Operation	TIEM Hall Plating Starboard Concrete Strengthering Deek Plating	Superstrueture Doors, vents, hatch, port holes, watertightness Ramp Ramp on the reals. Ramp on the reals. Ramp on the reals. Per the fram which wires etc. Port hele rubber seals Paint Hall Manholes Longitudinal, transverse framing, stiffeners, condition Bulkhede veneright Anode condition Anode condition Evergence condition Evergence condition Such and Such a	Bulk heeds, milings, cappings, doors Funnels Funnels Funnels Funnels Jefebouts and davits. Ballast Trans Not. **Manholes, General condition, lanks, vents, gipes Longinadinal, transverse framing, stiffeners, condition Anode condition Water tight No 6.N/A Manholes, General condition, lanks, vents, pipes Longinalizansverse framing, stiffeners, condition Anode condition Water tight Water tight Water tight Water tight Water tight Water tight	**Prest Water Tank Mani-bles, General condition tanks, vents, pipes Longitudinal, transverse framing, stiffeners, condition Anode condition Tank Cleanifiers Water tight **Note Tank Cleanifiers Water tight **Note Tank Cleanifiers **Note Tank Cleanifiers Water tight Coffer Dam Between Water Tank/Nos Fuel Tank-Sd N/A Manholes, General condition, tanks, vents, pipes Coffer Dam Between Water Tank/Nos Fuel Tank-Sd N/A Manholes, General condition, tanks, vents, pipes	Longitudinal,transverse framing, stiffeners, condition Water tight Coffer Dam Cleanliness **Coffer Dam Between Water Tank/No5 Fuel Tank- Pt Macholes (Spender Conditional), swells, from the Condition of Conditions

Appendix 1 "2008 survey checklist"

Coffer Dam Cleanliness	
**Fuel Tank Center	Confirm capacities condition good,
Manholes General condition tanks, vents, pipes	
Anode condition	
Water tight	
Tank Cleanliness	
**Fuel Tank No 2	TBC
Manholes, General condition, tanks, vents, pipes	
Longitudinal transverse framing stiffeners, condition	
Water tight	
Tank Cleanliness	
Fuel Tank No 2 Wing Port N/A	2 service tanks/ourifver/clarifier Mitsubishi contrifino
Manholes, General condition, tanks, vents, pipes	
Longitudinal, transverse framing, stiffeners, condition	
Anode condition	
Tank Cleanliness	
Fuel Tank No.3 Centre N/A	
Manholes General condition tanks yents nines	
Longitudinal transverse framing stiffeners, condition	
Anode condition	
Water tight	
Tank Cleanliness	
Fuel Tank No 5 Wing Starboard N/A	
Manholes, General condition, tanks, vents, pipes	
Longitudinal, transverse framing, stiffeners, condition	
Anode condition	
Water tight	
Tank Cleanliness	
Fuel Tank No 5 N/A	
Manholes, General condition, tanks, vents, pipes	
Longitudinal transverse framing stiffeners, condition	
Anode condition	
** Samue Teal	COL
Manholes General condition tanks wents nines	
Longitudinal, transverse framing, stiffeners, condition	
Anode condition	
Water tight	
Tank Cleanliness	
**Starboard Main Engine -	TBC,18 months O/H 2x Daihatsu 185 KW 6 cyl 2 x compressors
Design Brown	1 1 1 1 1
Engine Room	Vey good condition and excellent maintenancePMP!!!
**Port Main Engine.	TRC 12 months OAH

**Gearbox Starboard, Couplings	TBC
**Gearbox Port, Couplings	TBC
	Providence (Ul)
Other Feriament	Execution Condition Execution
** Auxiliary Generator Starboard	TRUDS MINISTER OF DIVIDOR 1200
** Auxiliary Generator Port	TBC TT CT COMMISSION
**Pumps	TBC OK Recoverable from new equipment on Olovaha
**Pipework	TBC OK
** All Balast Water Valves	TBC OK
**Ballast, Fire, Bilge Pumps	TBC OK Deck skid mount 400 volt pertable genset **Recoverable from new equipment on Olovaha
Trydraunc Pumps	TIBUTE TO THE TIPE
Fire Ballast Domestic schopers Sewage	TBC RECOVERING ITOM NEW EQUIPMENT ON UTOVARIA
**Winches	1100
Derricks N/A	
Wires, pin, sheaves, blocks N/A	
Cargo hatch cover, rubber seals, N/A	
Cargo hold - Structural Floor	Cargo hold floor structuray sound with container lixing points
Longitudinal, transverse framing, suffeners, condition	Excellent condition

**Cargo Hold-General	Very Good need side curains ** Steel Inverte/Currains
**Port anchor windlass/Mooring capstan	TBC
**Starboard anchor windlass/Mooring capstan	TBC
**Port Stern anchor windlass/Mooring windlass	TIBC
Starboard Stern anchor windlass/Mooring windlass	TBC
Cables, Ropes, Chains	I.BC
Switchboards	Good condition
Motor controls	Вол
Alarm system	Chord
Bridge/Engine controls	Coop
**Winch Motors	TBC
Radars	New plotter rdars OK
Radios	All OK MK HE SSR ICOM Marina Dr.T. Tritis
GPS	OK with horter
Signalling	OK with plotter
Compasses	OK
AIS	
Others (Binoculars, sextant, pelonus etc)	
**Ship Batteries & Chargers	TBC
**Vent fans	TBC
Life rafts	Compliant 9x25 4x65 1x5 ** Recoverable from new seminanes on Oloscoka
Lifeboats	Compliant Compliant
Pyrotechnics	500 condition **Bacouscalla from man control
Life Jackets	ero pede continon a recoverance in our interveding princin on Olovana
Buoyant devices	
Transponder	
Hand held radios (and spare batteries)	Tait
**Portable Fire extinguishers	TBC ** Recoverable from new equipment on Olovaha
**Fire Hoses, Nozzles, Couplings, Hydrants	TBC ** Recoverable from new engineent on Olivaria
**Fixed fire fighting system Halon	TBC
**Emergency Fire pump (engine & motor)	TBC ** Recoverable from new enuinment on Oliveaha
**Breathing Apparatus	TBC ** Recoverable from new entitionment on Olovacha
**Fireman's Outfit	TBC ** Recoverable from new equipment on Olovaha
Cargo containers	TBC Hold dimensions

Bow ramp ...can it be effectively sealed when closed.
 Can 2 10 ft containers be located on the bow ramp area and be loaded easily from the wharf or ramp when parallel berthed.

If side on to berth could they be loaded without using the stern ramp.

3. Side curtains or infil with plate in cargo hold. - Measure etc... complete in Fiji...

4. Measure stern ramp length...extension etc.

Olovaha Ramp Measure cargo hold

Flaps 1.1 Hinge to water Im

Olovaha Ramp 7.5

5. Can we put a small crane on the upper deck for loading the lighter.
6.Can we stow light weight water tanks on the upper deck
7.Extra 2 cabins behind bridge/mastrers cabin etc.

8. Extra bunks re crew below decks.

9. Fuel consumption at best performance.
**** Crew availability- delivery, chief long term>>>>
Sale of equipment- Genset plus spare 275 Kva 220DFBE CPL 1381 50hz@1500RPM 3PH KW 220

Audit completed 6-8 April 2009

Audit of the Princess Ashika.

Audit completed by:

David Shaw - Shaw Diesel Services - Auckland

(David completed the review of main, auxillary, compressors and electric motors)

Kerry Bennett - Consultant to Express Diesel Services - Auckland

(Kerry completed the review of gearboxs, clutches, shafts, steerage).

A general structural, tank, void spaces, and operation review was completed in transit under normal operational procedures.)

John Jonesse - SCP Tonga (John reviewed all documentation relating to historic, dry-dock etc PMP and general maintenance and all mandatory documenation)

Carried out enroute from Natovi Landing Fiji to Levuka and return.

Audit Documentation.

Current Marine Survey - Fiji 01/09-01/11 (2years) ITC International Tonnage Certificate Cargo Safety Radio Certificate Load Line Certificate Bare Boat Registry Certificate Dry Docking schedule 12/08 (Available to Marine and Ports Tonga)

Marine Analysis Documentation

All mechanical work is carried out by Dennis Arnott of Sydney (A respected marine engineering company) who has managed the PMP for over 6 years and supervised Dry Docking. All receipts and reports were available for review by John Jonesse.

Discussion between the Audit Team and the Master, Mate, Bosun (10 years) Chief Engineer (14 years).

These discussions were not pre-empted by management.

Vessel Operation Audit - Broken into Structural, and Mechanical.

Defect Evaluation

Engine Room/Steerage

- *Heat exchangers on both Cummins Gen sets were in poor condition and not repairable (Agreed that these would be replaced at their expense.)
- *Audible knock on No6 Cylinder at cold start. (This was identified as poor timing after the fitting of new injectors and was rectified in transit. All timing is to be checked by their Australian consultant who will be in Fiji on another job)
- *5% higher temperature on Port Gear Box well within accepted limits. (Most likely filters or contaminated gearbox oil) All filters to be checked by their Australian consultant who will be in Fiji on another job)
- *Leak from starboard prop shaft gland. (This was repacked during Dry Docking along with new shaft bearings and had not been tightened correctly. All gland packings to be checked by their Australian consultant who will be in Fiji on another job, this may require Dry Docking at their expense and under their recent warranty.)

Appendix 2 'audit report' (2 versions)

<u>The Marine Survey</u> completed in 01/09 showed no major defects. There were no engine room defects of significance (1unsecured floor plate, bilge discharge records were not updated from the last current sailing)

The VHF radio was not working at the time of the 1st Inspection. The GPS antennae mounting brackets needed attention.

A log-book was not kept for all radio transmissions sent or received so a licence was not issued until updated.

A Safe Manning Certificate was issued for correct crewing and for equipment carried for the designated numbers. Survival equipment exceeds maximum needs.

Notes

The information provided by the Owners, Operations Manager and Crew was provided completely and openly and all ships documentation was available on the Bridge and in the Engine Room and at the registered offices in Suva.

Defect reports are evaluated and actioned weekly and are subject to review by their consultants.

While built in '72' in Japan the Princess Ashika is an example of good preventative maintenance. The vessel's 'easy' design has enabled excellent engine room management on a 'day to day' basis. While rust is expected in a vessel of any age the rust has been minimized in all structural areas and painting is ongoing. The Hull Thickness Test at Dry Docking showed 86% well within acceptable limits, all anodes were replaced at Dry Docking.

With continued PMP all mechanical areas should be within expected performance with no major overhauls required in the timeframe of operation in Tonga. If the vessel was to operate for 3 years after the Dry Docking she would need underwater or Dry Dock hull attention but it is unlikely that plates would need replacement as 6 plates were replaced in the Void area at last Dry Dock.

Audit Completed with accompanying Check Sheets. By:

David Shaw - for Shaw Diesel Services Limited

Kerry Bennett - Consultant to Express Diesel Services Limited

John Jonesse - Managing Director for Shipping Corporation of Polynesia Limited

9th April 2009 At Suva Fiji

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9th April 2009 At Suva Fiji 21

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		Review added to Instal Ro review abcoment	Os
Vessel Operation	Princess Ashika IMO 385168	6 April 09 ->	
NGLI	Survey December 2008 Valid to December 2010 - Fiji Marine Board - Rusiate Waqa 6 monthly survey due 5-7 May 2009	May 2009	
Bu	6 plates replaced in void 12/08 Dry Dock Cleaned/minned		
Starboard Port	Paint required, fluted hull reduces wave turbulance.		
Concrete Strengthening	Faint required, liuted hull reduces wave turbulance. Some insens but generally limited rust.		
Deck Plating	Good, limited nust well painted throughout		
Doors, vents, hatch, port holes, waterriphmese	A II		
Ramp	All areas water tight Row Storm some to be leaded at the first		
Ramp winch, wires etc.	Good condition		
Port hole rubber seals	Sealed at pax level. Cargo hold partly open need light weight removable sheet steel streems to account forms.		
Paint Hull	Upper deck white, good condition, upper decks good. Hull reasonable,	eather.	
Superstructure	Well painted generally		
Bulk heads, railings, cappings, doors	Allok		
Funnels	Good, limited rust well painted throughout		
Vents	Good ventilation in all areas especially engine room, crew areas airon		
Bolloer Tonbe			
Manholes, General condition tanks vents pines	Sale OV seemilise and seemilis		
Longitudinal, transverse framing stiffeners, condition	OK generally good condition		
Anode condition	Replaced at DD		
Water tight	OK		
Fresh Water Tank	25 tonnes		
Manholes, General condition, tanks, vents, pipes	Seals OK, generally good condition		
Anode condition	OK, generally good condition		
Tank Cleanliness	Replaced at DD		
Water tight			
Void Space	Plates replaced at DD.		
Manholes, General condition, tanks, vents, pipes	Seals OK, generally good condition		
Longitudinal, transverse framing, stiffeners, condition	OK, generally good condition		
Void Space Cleanlines	OK		
Coffer Dam Between Tanks	OK		
Manholes, General condition, tanks, vents, pipes	Seals OK generally good condition		
Longitudinal, transverse framing, stiffeners, condition	OK, generally good condition		
Water tight	0К		
Fuel Tank Center No. 1	OK		
Manholes, General condition, tanks, vents, pipes	2.5 Jonnes Seals OK connect IV accord conditions		
Longitudinal transverse framing stiffeners, condition	OK, generally good condition		
Anode condition Water tight	Replaced at DD		
Tank Cleanliness	WO WO		
Mentank No 2	7.5 tonnes		
Longitudinal, transverse framing, stiffeners, condition	Seals OK, generally good condition OK generally good condition		
	Replaced at DD		
	00X		
	All fresh water systems so limited rust, Olovaha all salt water systems		
condition tanks, vents, pipes verse framing, stiffeners, condition	Seals OK, generally good condition		
	OK. generally good condition OK		
	OK		
	OK		

Particulation Charles	Starboard Main Engine -	18 months Off 2v Dailyates 185 POLI 6 and 2
Secretary Secretary		Own injector testing equipment on-board result arms introduced to
Machine Bernard New Methods Very and Condition and Continue in Machine Bernard		General PMP well controlled by Australian Engineering Consultance
Control of the Control of Contr	Engine Room	Vey good condition and excellent maintenance
Court State State	Port Main Engine-	12 months O/H 1 Injection/tanners/timing to the reviewed
Secretars 2017 (Secretary Control of Secretary Cont	Gearbox Starboard	OK and Spiroflex couplings OK
Applied Contention Execution Executi	Gearbox Port	Temperature up 5% filters to be cleaned OX and Solices consiling OX
Accordance Acc	Steerage	Excellent condition
All Ballar Contentions Statement 2.7 C.O. Commission for contention for conte	Other Equipment	Pumps, shafte bearings all Off Dry Dock 12/00
Description of the property	Auxiliary Generator Starboard	2x 4 Ch Chromities and 10 to 1
Planter Plan	Auxiliary Generator Port	Renare Herandhanna
	Pumps	OK Parenteeded State of the Control
All High the Web Wilson All High the Wilso	Pipework	OX AND THE HOM REW EQUIPMENT ON UNIONALIA
Other August December OK Statistics OK	All Balast Water Valves	S. S
Independing larger A part of the part	Other Auxillarty Power Supply	Or. Dark bid manuar 400 met.
Recoverable from new equipment to Otochala Windows American	Hydraulic Pumps	ON Steaming THOU VOIL POTABLE genset for weiding.
Withouts October Oct	Emergency Pumps	On State Comments of the Comme
Comparison of	Winches	Necoverable from new equipment on Olovaha
Chapter land from the formation efficiency condition Chapter land from the formation of	Caroo hold - Structural Dioce	NO.
Per l'éconsul anière voidian/Abering genieme (New Yords meet luide carrinin Steal Innerté Corninin.) Per l'éconsul anière voidian/Abering genieme (New Yords meet luide carrinin Steal Innerté Corninin.) Per l'éconsul anière voidian/Abering genieme (New Yords meet luide carrinin Steal Innerté Corninin.) Per l'éconsul anière voidian/Abering genieme (New Yords reconstruit steal Innerté Corninin Meet l'éconsul anière (New Yords anière voir anière (New Yords anière (New Yords))) Per l'éconson (New Yords anière (New Yords)) Per l'éconson (New Yords) Pe	Tomming temporal and the second secon	Cargo hold floor structurally sound with container fixing points
Part Content and	Come Told Committee Traming, stateners, condition	Excellent condition
A Statement Content and an administration of a content and a content and a content a con	Cargo Hold-General	Very Good need side curtains Steel Inserts/Curtains
Stifted and Control and Cont	Port foreward anchor windlass/Mooring capstan	OK
Petrol Mande vordistand/Mocinia varieties Note used	Starboard foreward anchor windlass/Mooring capstan	20
Statement And House varied and Missay Mooring windings Statement And House varied and the statement of t	Port Aft anchor windlass/Mooring windlass	Not need
Colone Recognition Colone condition Colone co	Starboard Aft anchor windlass/Mooring windlass	Not need
Motor countries Good Goodston	Cables, Ropes, Chains	All Good condition
All District centrols Good	Switchboards	Good condition
Alian pictorial pictorial Alian pictorial Good	Motor controls	Dood
Bridgelfelinging countrols Good Bridgelfelinging countrols Good Bridgelfelinging countrols Good Bridgelfelinging Bridgelfelinging Bridgelfelinging Bridgelfelinging Bridgelfelinging Bridgelfelinging Bridgelfelinging Bridgelfelinging Bridgelfelinging Bridgelfelinging Bridgelfelinging Bridgelfelingingingingingingingingingingingingingi	Alarm system	Good
New places New	Bridge/Engine controls	Good
Comparison Com	Radars	New plotter radam OK
Signatilities Comparison Old Swith Infector	Radios	All OK MK HE SSB ICOM Medica Byfferin
OK	GPS	OK with plotter
Oxymplements & Changers Oxymplements Oxymplem	Signalling	OK
Ship Batteries & Changers Oncording State	Compasses	XO
View flats View flats View flats Good air venting on the vessel espacially important in engine room. Good air venting on the vessel espacially important in engine room. View flats View f	Ship Batteries & Chargers	300
Life and that	Vent fans	Good air venting on the veecel arenavially invacated in and
This Packets Stock of the Control of the Contro	Life rafts	Compliant 925 and a set of the property in potential and a set of the property
Table Tabl	Life Jackets	confinant 2022 100 100 Incoverable from new equipment on Olovaha
State of the state of causing a state of the state of t	Hand held radios (and enare hatteries)	2V Rood condition Recoverable from new equipment on Olovaha
Recoverable from new equipment on Olovaha Recoverable from new equipment on Olovaha	Fire Hoese Massias Constinue Underth	Just .
Beaching Apparatus Cold Beaching Apparatus Cold Beaching Apparatus Recoverable from new equipment on Qlovaha Recoverable from the Qlovaha Recoverable from new equipment on Qlovaha Qlova	Fixed fire flohting eveters	Recoverable from new equipment on Olovaha
Standing of the effectively sealed when closed. **No need for seals as the ramp closure is need to the continuous standing and the effectively sealed when closed. **No need for seals as the ramp closure is well above water level unlike Olovaha. This well allow for causer earging the closured on the bow ramp zero and be loaded easily from the wharf or ramp when parallel benthed. OK This well allow for searce earging on the bow ramp zero and be loaded easily from the wharf or ramp when parallel benthed. OK Side curains or infl with plate in cargo hold. ** Infl lightweight gain when belief on. Side curains or infl with plate in cargo hold. ** Infl lightweight gain when belief on. Clan we put a small crans on the upper deak for closing the lighter. ** OK 1.5 towns mechanical *** Not required as can load lighter from Ramp. Clan we put a small answer on the upper deak for forfinging the lighter. ** OK 1.5 towns mechanical *** Not required as can load lighter from Ramp. Clan we put a small answer on the upper deak for forfinging the lighter. ** OK 1.5 towns mechanical *** Not required as can load lighter from Ramp. Clan we put a small briggenments, and storegood seas. Glowable 6.8 troughts are concluded to the open deak. ** OK The contamplity cellivery performent. Under the deal of the upper deak. ** OK The contamplity of the performent of the regioner variable for up to 2 months, Mater for delivery assistance. As for the contamplity cellivery performent. Under the secondary of the secondary	Account Ingining System	CO2 Engine room
Recoverable from new equipment on Olovaha Recoverable from new equipment on Olovaha Bow many Counties Bow many area and be loaded easily from the wharf or ramp closure is well above water level unlike Olovaha. Pris will allow for scarce earge Bow many counties Bow many co	Cancigency rire pump (engine & motor)	Recoverable from new equipment on Olovaha
Historyentals Jutin Board and the effectively sealed when closed. **No need for seal as the ramp closure is well above water level unlike Olovaha. C. Can 2 In off containers be located on the bow ramp area and be located easily from the wharf or ramp when parallel benthed OK This will allow for seame eargy. Side currains to be located on the bow ramp area and be located easily from the wharf or ramp when parallel benthed OK In side currains to the other out off the per located without using the storn ramp. **OK Side currains of infil with plate in cargo hold. ** Infil lightweight gain where botted on. Orosha Ramp 7.3 ** Flaps 1.1 Hinge to water Im Amans 5.5 m long but at higher hinge point, need tenthening by 1.5 m. Orosha Ramp 7.5 ** Flaps 1.1 Hinge to water Im Can we put a small rame on the upper deak for Chading the lighter. ** OK 1.5 tooms mechanical ** Not required as can load lighter from Ramp. Can we put a small name on the upper deak for Chading the lighter. ** OK 1.5 tooms mechanical ** Not required as can load lighter from Ramp. Can we put is annulate a crew before deeds. ** OK Can we put a small hidgemassare calm ear each of Chading the lighter. ** OK Can we put a small hidgemassare calm ear each of Chading the lighter. ** OK Can we will have given before deeds. ** OK Can we will have given before the long of contrainers. Of Short of confidence of SCP as a Portivery assistance. AB for I month familiarity. For all of contampidous ** Master Class 1 cs. SCP ** OK Work was an employee of SCP as Before your of Expenses Afrifairs to Suvar Master Class 1 cs. SCP ** OK Expenses Afrifairs to Suvar Master of delivery contrain the super forms of Delivery only From the vessel ex Fiji ** OK Expenses Afrifairs to Suvar Hind Figure and Suvar Master of delivery contrainers and supplement of deliver vessel ex Fiji ** OK Expenses Afrifairs to Suvar Hind Figure Arms and Suvar S	Breatning Apparatus	Recoverable from new equipment on Olovaha
1. Bow rampcan it be effectively scaled when closed. ** No need for seals as the ramp closure is well above water level unlike Olovaha. ** Can 2. If of containers be located on the bow ramp area and be loaded easily from the wharf or ramp when parallel berthed. OK This will jail buy for seater easign. ** Can be the count in the carge hold. ** Infill ightweight gai'v sheet betted. ** Side eartains or fulf with plant is carge hold. ** Infill ightweight gai'v sheet betted. ** Side eartains or fulf with plant is carge hold. ** Infil ightweight gai'v sheet betted. ** A Measure start many leaght extension etc Sin A many 5.5 shi loog but a fight in the fight ** OK A start of the start is a ship of the carding the lighter. ** OK A start of the start a can be a ship of the carding the lighter. ** OK ** Extra bunks re crew below decks. ** OK ** Extra bunks re crew below decks. ** OK ** OK Expanse A Many of the start	Fireman's Outfit	Recoverable from new equipment on Olovaha
1. Bow ramp,can of the effectively selled when closed, *No mand for seals as the ramp closure is well shove water level unlike Olovaha. 2. Can 2. If it contains be becated on the bow ramp sea and be loaded easily from the wharf or ramp when parallel benthed OK This will allow for secure eage. 1. Side curring to be becated on the bow ramp season and the bedden seals to be the contains the per loaded without using the start ramp. ***OK 2. Side curring to be before double with the board of ** Infil lightweight gain when beloted on. 3. Side curring or infil with plate in cargo hold. *** Infil lightweight gain when beloted on. 3. One was put a mind to perfore decident and the perfore of closing the light of the perfore of the closing the light was profit and the upper deck .*** OK 2. Extra beat of the divery of light water tanks on the upper deck .*** OK 3. Extra beat before downdeds, .*** OK 3. Even beat and brightweight water tanks on the upper deck .*** OK 4. Extra beat before downdeds, .*** OK 5. Even beat and brightweight water class of can Going .*** OK 5. Even beat standing the mine of the perfore of the regions and the performance. In 5 knotes a minipality closer, .*** OK 5. Even beat standing the mine of the perfore of the regions of the performance of the form of the performance of the performa		Jacoby et adre it den new equipment on Olovaha
This will allow for secure eargo. If side on to benth could they be located without using the secure man. Side centin so rinkf with part in cargo hold. ** Can be determined in the location charge of the council of	1. Bow ramp can it be effectively sealed when closed. ** No n	sed for seals as the ramp closure is well above water level unlike Olambia
***Control to be centure and to be control to the c	2. Can 2 10 ft containers be located on the bow ramp area and be	oaded easily from the wharf or ramp when parallel betthed. Ok
** Side cannot be read they be closed without surger the series are not over it as one on the read of the count of the closed without surger than the cause he closed without surger than the count of the close of t	This will allow for secure cargo.	oe done
A season accuration of mit with pagin and accident and people and containing and accident and people. The first people and containing again where botted on. A manner S all note but a fighter first people, and cell charing a sea load lighter from Ramp. C an we stow light weight water make make the claims the lighter. ** OK C an we stow light weight water make and the upper deck for leading the lighter. ** OK E and a stablish weight water make and the upper deck ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re eve below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks. ** OK E Extra bunks re even below decks remitting and remains remains remains remains remains remains remains remains remai	If side on to berth could they be loaded without using the stern r	np. **0K
Action by the standard control of the Standard	 Side curtains or infil with plate in cargo hold. ** Infil lightwei 	th galv sheet bolted on.
C. Can wo stow light weight water transformed to the professor of the design that from Ramp. C. Can wo stow light weigh water transformed to upper cleak for leading the lighter. C. Can wo stow light weigh water transformed to upper cleak for leading the lighter. C. Can wo stow light weigh water transformed to upper cleak for leading the lighter. C. Can wo stow light weigh water transformed to upper cleak for leading the lighter. C. Can wo stow light weight water transformed to upper cleak for leading the lighter. C. Can wo stow light weight water transformed to the light for 2 officers.* C. Can wo stow light weight water transformed to the lighter of the light for 2 officers.* C. Can wo stow light water transformed to the light for 2 officers.* C. Can wo stow light weight weight for clear water cleak for a stow light for 2 officers.* C. Can wo stow light for a fine of the light for 2 officers.* C. Can wo stow light for a fine clear water to stow a spill for 2 officers.* C. Can wo stow light for a fine light for 2 officers.* C. Can wo stow light for a fine weight for 2 officers.* C. Can wo stow light for a fine with weight for 2 officers.* C. Can wo stow light for a fine light for 2 officers.* C. Can wo stow light for a fine light for 2 officers.* C. Can wo stow light for a fine light for 2 officers.* C. Can wo stow light for a fine light for 2 officers.* C. Can wo stow light for a fine light for 2 officers.* C. Can wo stow light for 2 officers.* C. Can wo	4. Measure stern ramp lengthextension etc. 5.5m	Olovaha Ramp 7.5 ** Flaps 1.1 Hinge to water 1m
Can we show light weight weinto weight weight weight weight weight weight weight weight weigh	Can we mit a result of higher hinge point, need lenthening by 1.5	
Lextra buttle received bedsets, and CK Extra buttle received bedsets of the control of th	Can we put a small crane on the upper deck for loading the light	er. ** OK 1.5 tonne mechanical ** Not required as can load lighter from Ramp.
*** Case a seans tenden Onegomerate cabin can be split for 2 officers, *** OK *** Extra beature of cacks, *** OK *** Extra beature of cacks, *** OK *** Feel consumption at the sperimenture. (1.6 Knote) good seaso (1.0 Knote) and seaso (1.0 Knote) as status and seaso (1.0 Knote) as status and seaso (1.0 Knote) as seaso (o. Can we stow light weight water tanks on the upper deck ** O	5.0
F lad corsumption at best performance. 10.5 knots good seas. Olovaha 6-8 knots Love variability—defrey, discloring germ Chief Figure variable for up to Jack control of the control of the delivery compliance. ** Master Chass Decar Going. ** OK. Why was an employee of SCP as Technical Manager now at TMP! Keek VPY for delivery, Master Chass Decar Going. ** OK. Why as a memployee of SCP as Technical Manager now at TMP! Keek of the delivery of the delivery of the part of the control of the part of the par	7. Extra Legillis bennd bridge/masters cabin etc. OK Masters cal	in can be split for 2 officers.** OK
Crew vaniability-delivery, chief fong term. Chief Engineer available for up to 2 months Master for delivery assistance. AB for 1 month familiarity. Very for delivery, Master Class Ocean Going. ** OK Y. Was an employee of SCP as Technical Manager now at TMP1 Seed olivery compliance ** Master Class I exp ** OK Expense Affairs to Suvard delys accomn Seed of the School of the Sc	3. Fuel consumption at best performance. 10.5 knots good seas.	maha R.B trate
Weet vivy for delivery. Master Class Ocean Going. ** OK. VVV was an employee of SCP as Technical Manager now at TMP! Seed delivery compliance ** Master Class I ex. SCP ** OK. ** OK Expense Airfairs to Suval day's accom BLOS 2 weeks familiariation in Fig on-board & Delivery ** OK Expense Airfairs to Suval Adornman 2 weeks familiariation in Fig on-board & Delivery ** OK Expense Airfairs to Suval ** OK Expense Airfairs to	Crew availability- delivery, chief long term Chief Engineer availa	owner or most a months. Master for delivery assistance. AB. for 1 mouth familiaries.
Wealed delivery compliance ** Master Class 1 ex SCP ** OK Third Maz 2 weeks familiarisation in Fig on-board & Delivery SMOO 2 weeks familiarisation in Fig on-board & Delivery OK Expense Affairs to Suva OK Expense Affairs to Suva Motorman Delivery only From the vessel ex Fig OK Expense Affairs to Suva	iveed v v v Ior delivery, Master Class Ocean Going. ** OK	VVV was an employee of SCP as Technical Manager now at TMPI
	Vessel delivery compliance ** Master Class 1 ex SCP ** OK	** OK Evones Aideire to D
::::	Chief Mate 2 weeks familiarisation in Fiji on-board & Delivery	ON EXPENSE A Affairs to Stude
:::	AB/OS 2 weeks familiarisation in Fiji on-board & Delivery	
::	Aotorman 2 weeks familiarisation in Fiji on-board & Delivery	** OK Expense Affairs to Suva
1	hief Engineer to deliver vessel & saty with vessel for 2 mths	** OK Expense Airfairs to Surva
	fotorman Delivery only From the vessel ex Fiii	OK Expanse Airdines Course
		כן בילים ומם כי חוומוים וכי פתאפי בניתו ווות

CONFIDENTIAL

No.300

Rec'd for Bushy toutober. 21/08/09.

MEMORANDUM

23rd April 2009

To: Hon. Cabinet Members

Secretary for Finance Secretary for Public Enterprises Secretary for Transport Private Secretary to His Majesty

With reference to Vessel Purchase to Replace the MV Olovaha.

(MAR 2/2/2 V5)

I have the honour to inform you that His Majesty's Cabinet Decision on 23rd April 2009 was as follows:-

- That the report from Ministry of Transport on the Vessel to Replace the MV Olovaha be noted.
- 2. That the Hon. Minister for Transport, assisted by the Hon. Attorney General & Minister for Justice to proceed with the arrangements to do with MV Princess Ashika and because of the urgency of this matter, that necessary deposit and other financial arrangements be finalised with the Hon. Minister for Finance, National Planning and Information, who is hereby authorized to endorse or otherwise the proposed transaction, and a report be later tabled in Cabinet.
- That discussions with the Government of Japan to continue to ascertain that there are no further delays on the delivery of the new ferry to replace the MV Olovaha.

Busby Kautoke
Chief Secretary & Secretary to Cabinet

Memorandum to Cabinet.

20th April, 2009.

Vessel Purchase to Replace the M.V. Olovaha.

The mechanical state of the M.V. Olovaha has been of increasing concern over the past six months.

While the ship remains seaworthy it is becoming increasing difficult to maintain any reliability in its service to the outer islands.

The delivery of the new ferry to be provided by grant aid from the Government of Japan will not be before late 2010. In the meantime it is estimated that up to TOP 800,000 needs to be spent on the existing M.V. Olovaha to keep it in service. The attached financial summary (attachment one) from the Shipping Corporation of Polynesia and the Ministry of Public Enterprises and Information compares the cost of continuing services with the existing ship against the cost of purchasing a ship that has been sourced in Fiji. It is clear that the financial outlay for a replacement ship to fill the gap until the arrival of the new ferry is the preferred option as there is also the residual value of the replacement ship once the new ferry arrives.

The Ministry of Transport has sought full technical data to allow for due diligence to be completed on the replacement vessel, the M.V. Princess Ashika (some detail is provided as attachment two).

In summary, the vessel is surveyed to carry 390 passengers and 370 tonnes of cargo (c.p. Olovaha, 400 passengers and 140 tonnes of cargo). It has both bow and stern loading capability, cruises at 10 knots (Olovaha 8 knots), has similar draft to the Olovaha to allow safe entry and exit to all ports (it is suggested that the vessel can also service 'Eua though this is to be substantiated) and burns 30 per cent less fuel. The vessel is both bow and stern loading and is of the "roll on, roll off" (Ro-Ro) type. While the vessel is older than the Olovaha it has been very well maintained and has come out of a December 2008 survey. An Australian engineering company is preparing the vessel for sale to ensure full serviceability.

The SCP has put in a purchase option to expire at the end of this month for FJD 600,000 (this is now TOP 580,000) and has sourced cargo to cover the costs of positioning the ship in Tonga.

Both the Ministry of Transport and the Ministry of Public Enterprises and Information recommend that the ship be purchased by the Government of Tonga and leased to the Shipping Corporation of Polynesia and that this be effected without delay once all the necessary documentation is completed. The ship can enter service in Tonga during May, 2009, in time for the major Church conferences. This vessel can also be used to test new scheduling and loading procedures in readiness for the entry of the new ferry from Japan in late 2010. The total funding to be sought is expected to be within TOP 750,000.

2.

Recommendations:-

- 1. That the Ministry of Transport complete due diligence on the technical suitability and sea worthiness of the M.V. Princess Ashika.
- 2. That, subject to the successful completion of (1.) above, the Ministry of Finance and National Planning source funding for the purchase of the vessel and for any requirements to ensure rapid deployment into service.
- 3. That, subject to the successful completion of (2.) above, the Ministry of Public Enterprises and Information and the Ministry of Transport determine the ownership and on-lease of the vessel to the Shipping Corporation of Polynesia.

For your consideration.

Minister for Transport

Hon. O. Afu'alo Matoto.

Minister for Finance and National

Minister for Public Enterprises and Information.

Shipping Corporation of Polynesia LTD



P.O Box 53 Nuku'alofa, Kingdom of TONGA South Pacific. www.scptonga.com

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Direct Dial: + 676 23-367 e-mail: info@olovaha.com



Hon.Paul Karalus Minister for Transport P.O.Box 845 Nuku'alofa cc Bruce McQueen c/o Ministry of Public Enterprises Railway Road Nuku'alofa

Dear Minister,

With regards to the proposal for the replacement of the MV Olovaha.

Earlier discussions looked at the alternatives of retention of the Olovaha under certain operational constraints, or her replacement.

The issues with regards to mechanical uncertainty, poor scheduling and customer service and the Nuias considerations make the first option untenable.

The replacement vessel currently under evaluation with regards to purchase by the Government of Tonga and leased to the Shipping Corporation of Polynesia is after thorough and independent survey, both from a mechanical and from the financial aspect a sensible and financially viable option given the timeframe to the delivery of the new vessel from Japan.

The opportunity is enhanced by availability and delivery and the benefical currency circumstance.

In reviewing the summaries prepared with the assistance of the Ministry of Public Enterprises, the question is what is the ownership/lessee structure likely to be.

It is clear that Ownership by Government is the best option with a lease arrangement that reflects the position of SCP, the debts incurred by SCP in operating what was a Government owned vessel and the serious disadvantages that SCP has had to accept.

We believe that taking the Insurance aspect into consideration (normally the owners responsibility) the additional lease figure is realistic at 2% p.a of turn-over.

SCPs outlays include delivery and crewing considerations and of course the ongoing operational costs.

While no consideration has been given for the disposal of the Olovaha and the ongoing use of the replacement vessel after the 2 year interim domestic service, there are likely beneficial scenarios .If the Olovaha is disposed of at current scrap value there is a potential recovery opportunity yet to be proven and a sale value of at least 50% of purchase price if no other options were available.

All aspects of an International vessel sale have been considered including the NMOU, Flag status, Survey considerations etc.

Yours sincerely,

John Jonesse

Managing Director for Shipping Corporation of Polynesia Limited

17th April 2009

Investment and Scenario Analyses Retain Olovaha Versus Buy Replacement Vessel

Lease Arrangement 16% of TOP\$580,000

			Net Present Value (NPV) TOP\$ (13% Discount Rate)	Year 1	Year 2
Option No.	1	Buy Replacement Vessel at TOP\$ 580,000 Net Annual Cash Inflows	642,957	385,442	385,442
		Acquisition Cost of Replacement Vessel	0		
		NPV (After Deducting Cost of Replacement Vessel)	642,957		
	2	Retain Olovaha	-3,266,542	-2,035,851	-1,870,536

Net Advantage of "Buy Replacement Vessel" Over "Retain Olovaha"

3,909,499

Key Assumptions

Option 1

Buy Replacement Vessel

- Buy replacement vessel for TOP\$ 580,000 from Fiji (Fiji \$ 600,000/1.0343); a)
- b)
- No resale value for replacement vessel; c)
- Self as scrap Olovaha in Fiji at net TOP\$80,000; easier to transport Olovaha to Fiji)

Option 2 Retain Olovaha

- Repair Olovaha for TOP\$ 400,000 per year or total of TOP\$ 800,000; a)
- Drop Niuias routes; b)
- Drop passenger business; c)
- More expensive workshop costs of TOP\$150,000 d)
- Government has to pay subsidy of TOP\$400,000 to another party to cover Niuas; e)
- Reduce freight volume market share from 60% to 50%

Page 1 of 1

17/04/20091:33 p.m.

Buy Replacement Vessel Financing Other Parameters

Investment Analysis

Purchase Cost of Replacement Vessel Add Delivery Charges

Less Freight Revenues from Fiji to Tonga Vessel Delivery Insurance Estimated GOT Acquisition Cost

Additional Acquisition Costs by GOT but Assumed by SCP

Hull Insurance (SCP)
Other Insurance

Total GOT Costs Assumed by SCP

Total Acquisition Costs for GOT if Insurance not Assumed by SCP

580,000 28,000 -28,000 0 580,000 70,000 32,000 102,000

682,000

Buy Replacement Vessel

Investment Analysis

Projected Cash Flow			
Year 1 to Year 2	Year 0	Yr 1	Yr 2
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss) from Operations After Tax	0	385,442	385,442
Add (Deduct)			
(Increase) Decrease in Current Assets		0	0
Trade and other receivables		0	0
Inventories		O	O
Increase (Decrease) in Current Liabilities Trade and other payables		0	0
Borrowings		0	
Income tax payable		0	0
Other liabilities and charges		0	0
Add (Deduct) Non-Cash Costs or Income			
Provision for Bad Debts			
Depreciation & Amortization		0	0
Net Cash Flows (Used) from Operating Activities		385,442	385,442
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Cash from Olovaha Sale	0		
Net Acquisition Cost of Replacement Vessel	0		
Sale of Replacement Vessel	0		
Shareholder Investment	0	0	0
Net Cash Flow from Investing Activities	0		
CASH FLOW FROM FINANCIAL ACTIVITIES			
Investment from GOT			0
Proceeds from Bank Loan		0	0
Payment of Interest on Bank Loan		0	0
Payment of Bank Loan Net Cash Flow from Financing Activities	0	0	
Net Cash Flow from Financing Activities			
Net Increase/Decrease in Cash and Equivalents	0	385, 442	385, 44 2
Add: Opening Cash		0	385,442
Cash balance, end	0	385,442	770,884
Casii Dalance, Enu			

Buy Replacement Ves Projected Income Star Year 1 to Year 2			
		Yr 1	Yr 2
Passenger Revenues			647.463
	Standard	115,728	647,463 115,728
	Niuas Total Passenger Fares	763,191	763,191
	Canteen Sales	50,000	50,000
	Total Passenger Revenues	813,191	813,191
Freight Revenues	Standard	1,729,027	1,729,027
•	Niuas	387,829	387,829
	Total Freight Revenues	2,116,856	2,116,856
	Total Vessel Revenues	2,930,047	2,930,047
Government Subsidy		400,000	400,000
TOTAL SALES		3,330,047	3,330,047
COST OF SALES			
Fuel and Lubrication		1 216 177	1,316,177
Bunker Fuel - Steaming		1,316,177	
Bunker Fuel -On Port (52	2,000 th liters per year)	57,530	57,530
Lubricant	AND A LINESTERNING MARK OF A WILLS	20,000	20,000
Annual Lease Rental		477,137	The section of the second section of the section of the second section of the section o
	Total Fuel - Vessel	1,570,844	1,570,844
Other Vessel Costs		767,000	767,000
Workshop Costs		60,000	60,000
TOTAL COST OF SALE	s	2,397,844	2,397,844
GROSS PROFIT		932,203	932,203
ADMINISTRATIVE EXPE	ENSES	403,000	403,000
NET INCOME (LOSS) F	ROM OPERATIONS	529,203	529,203
Gain (Loss) from Sale of	Replacement Vessel		0
Gain (Loss) from Sale of	Olovaha	0	0
NET GAIN (LOSS) FROM	M SALE OF FIXED ASSETS	0	0
NET PROFIT BEFORE I	NTEREST EXPENSE	529,203	529,203
INTEREST EXPENSE		0	0
INCOME BEFORE INCO	OME TAX	529,203	529,203
INCOME TAX EXPENSE		143,761	143,761
NET PROFIT AFTER TA	X	385,442	385,442
	FIT (LOSS) AFTER TAXBEFORE IN (LOSS) & INTEREST EXPENSE	385,442	385,442
Option 1 (GOT Desired	Lease Rental):		
Purchase Price of the Re		580,000	
Estimated Life of the Re		5	
Interest Rate		16%	
Annual Lease Rental		-177,137 -14,104	
Monthy Lease Rental		-14,104	
Option 2 (SCP Desired		AA.	
Percent of Gross Reven	ues	2%	

Page 1 of 1

ASSETS Current Assets Cash and cash equivalents Trade and other receivables Inventories Total Current Assets Current Assets Non-current Assets Property, Plant & Equipment (Net Book Value) Total Non-Current Assets Current Liabilities Trade and other payables Borrowings Income Tax Payable Other liabilities & charges Total Current Liability Deferred Tax Liability Bank Loan Total Non-current Liabilities TOTAL LIABILITIES O O O O C Current Liabilities TOTAL Liabilities & Caulty TOTAL Liabilities & Equity TOTAL Liabilities & Total Riabilities TOTAL Riabilities & Total Riabilities TOTAL R	Buy Replacement Vessel Projected Balance Sheets Year 1 to Year 2			Investment Ar
Current Assets 0 385,442 770,884 Cash and cash equivalents 0 385,442 770,884 Trade and other receivables Inventories 0 385,442 770,884 Non-current Assets 0 0 0 0 Property, Plant & Equipment (Net Book Value) 0 0 0 0 TOTAL ASSETS 0 385,442 770,884 LIABILITIES AND EQUITY Current Liabilities Trade and other payables 8 9 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Year 1 to Year 2 -	Year 0	Yr 1	Yr 2
Cash and cash equivalents 0 385,442 770,884 Trade and other receivables Inventories 0 385,442 770,884 Non-current Assets Property, Plant & Equipment (Net Book Value) 0 0 0 Total Non-Current Assets 0 385,442 770,884 TOTAL ASSETS 0 385,442 770,884 LIABILITIES AND EQUITY Current Liabilities Trade and other payables Borrowings 0 0 0 Income Tax Payable 0 0 0 0 Other liabilities 0<	ASSETS			
Cash and cash equivalents	Current Assets			770 004
Total Current Assets 0 385,442 770,884	Cash and cash equivalents Trade and other receivables	0	385,442	770,884
Property, Plant & Equipment (Net Book Value) 0 0 0 Total Non-Current Assets 0 385,442 770,884 TOTAL ASSETS LIABILITIES AND EQUITY Current Liabilities Trade and other payables Borrowings Income Tax Payable Other liabilities & charges 0 0 0 Volar Current Liabilities 0 0 0 0 Non-current Liability 0		0	385,442	770,884
## Property, Plant & Equipment (Net Book Value) ## Total Non-Current Assets 0	Non-current assets			
Total Non-Current Assets	Property, Plant & Equipment (Net Book Value)	0	0	0
LIABILITIES AND EQUITY Current Liabilities Trade and other payables Borrowings Income Tax Payable Other liabilities & charges Total Current Liabilities 0 0 0 Non-current Liability Bank Loan 0 0 0 Total Non-current Liabilities 0 0 0 TOTAL LIABILITIES 0 0 0 Equity 0 385,442 385,442 Net income (loss) 385,442 385,442 770,884 TOTAL EQUITY 0 385,442 770,884 TOTAL LIABILITIES & EQUITY 0 385,442 770,884		0	0	0
Current Liabilities Trade and other payables Borrowings Income Tax Payable Other liabilities & charges Total Current Liabilities 0 0 0 Non-current Liability Bank Loan 0 0 0 0 Total Non-current Liabilities 0 0 0 0 TOTAL LIABILITIES 0 0 0 0 Equity Issued and paid-up 0 385,442 385,442 385,442 385,442 370,884 Net income (loss) 385,442 770,884	TOTAL ASSETS	0	385,442	770,884
Trade and other payables Borrowings Income Tax Payable Other liabilities & charges Total Current Liabilities Non-current Liability Deferred Tax Liability Bank Loan Total Non-current Liabilities	LIABILITIES AND EQUITY			
Borrowings	Current Liabilities			
Income Tax Payable	Trade and other payables			
Other liabilities & charges 0 0 0 Non-current Liability Deferred Tax Liability Bank Loan 0 0 0 Total Non-current Liabilities 0 0 0 TOTAL LIABILITIES 0 0 0 Equity 0 385,442 385,442 Net aincome (loss) 385,442 385,442 770,884 TOTAL EQUITY 0 385,442 770,884 TOTAL LIABILITIES & EQUITY 0 385,442 770,884				
Non-current Liability O O O Deferred Tax Liability 0 0 0 Bank Loan 0 0 0 Total Non-current Liabilities 0 0 0 TOTAL LIABILITIES 0 0 0 Equity 0 385,442 385,442 Net ained earnings, beg 385,442 385,442 770,884 TOTAL EQUITY 0 385,442 770,884 TOTAL LIABILITIES & EQUITY 0 385,442 770,884				
Non-current Liability			0	0
Deferred Tax Liability 0 385,442 385,442 385,442 385,442 770,884 0	Total Current Liabilities	0	U	U
Bank Loan 0 0 0 Total Non-current Liabilities 0 0 0 TOTAL LIABILITIES 0 0 0 Equity 0 0 0 Issued and paid-up 0 385,442 385,442 Retained earnings, beg 385,442 385,442 385,442 Net income (loss) 385,442 770,884 TOTAL EQUITY 0 385,442 770,884 TOTAL LIABILITIES & EQUITY 0 385,442 770,884	Non-current Liability			
## Total Non-current Liabilities ## 0 0 0 0 0 ### Total Non-current Liabilities ## 0 0 0 0 0 ### Equity Suued and paid-up 0 385,442 385,442 385,442 770,884 0 385,442 0 385,442	Deferred Tax Liability	121	0	0
TOTAL LIABILITIES 0 0 0 0 Equity Issued and paid-up Retained earnings, beg Net income (loss) Retained earnings, end TOTAL EQUITY 10 385,442 170,884 TOTAL LIABILITIES & EQUITY 10 385,442 170,884	Bank Loan	1000		
Equity 0 Issued and paid-up 0 Retained earnings, beg 385,442 Net income (loss) 385,442 Retained earnings, end 385,442 TOTAL EQUITY 0 385,442 TOTAL LIABILITIES & EQUITY 0 385,442 770,884	Total Non-current Liabilities	0	0	0
Issued and paid-up 0 Retained earnings, beg 385,442 Net income (loss) 385,442 Retained earnings, end 385,442 TOTAL EQUITY 0 TOTAL LIABILITIES & EQUITY 0 385,442 770,884 770,884	TOTAL LIABILITIES	0	0	0
Sate and part-up 385,442 385,442 385,442 385,442 770,884	Equity			
Net income (loss) 385,442 385,442 770,884		0		385 442
Net income (loss) 385,442 770,884 Retained earnings, end 0 385,442 770,884 TOTAL EQUITY 0 385,442 770,884 TOTAL LIABILITIES & EQUITY 0 385,442 770,884			385,442	385,442
TOTAL LIABILITIES & EQUITY 0 385,442 770,884				770,884
TOTAL LIABILITIES & EQUITY	TOTAL EQUITY	0	385,442	770,884
0	TOTAL LIABILITIES & EQUITY	0	385,442	770,884
			0	0

Page 1 of 1

Buy, Replacement Vessel Projected Other Vessel Costs Year 1 to Year 2

> Regular Vessel Maintenance Dry Dock Maintenance Other Maintenance Costs Vessel Insurance Costs Canteen Cost

Sundry Vessel Operating Cost Provision for ILO Rate

Total

Depreciation - Replacement Vessel

Other Vessel Costs Port Expenses Crew Costs

Yr 1	Yr Z
Replacemen	t Vessel
230,000	230,000
230,000	230,000
76,000	76,000
9,000	9,000
102,000	102,000
50,000	50,000
60,000	60,000
10,000	10,000
0	0
767,000	767,000

Note: Replacement Vessel will be operational by July 1, 2009

Buy Replacement Vessel Projected Administrative Expenses Year 1 to Year 2 Investment Analysis

Yr 1	Yr 2
Replaceme	nt Vessel
183,000	183,000
45,000	45,000
30,000	30,000
40,000	40,000
55,000	55,000
15,000	15,000
5,000	5,000
30,000	30,000
	Ó
100.000	400.05
403,000	403,000

Wage and Benefits-Administration

Professional Fees

Repairs & Maintenance

Heat Light and Fuel

Communications

Insurance Buildings & Contents

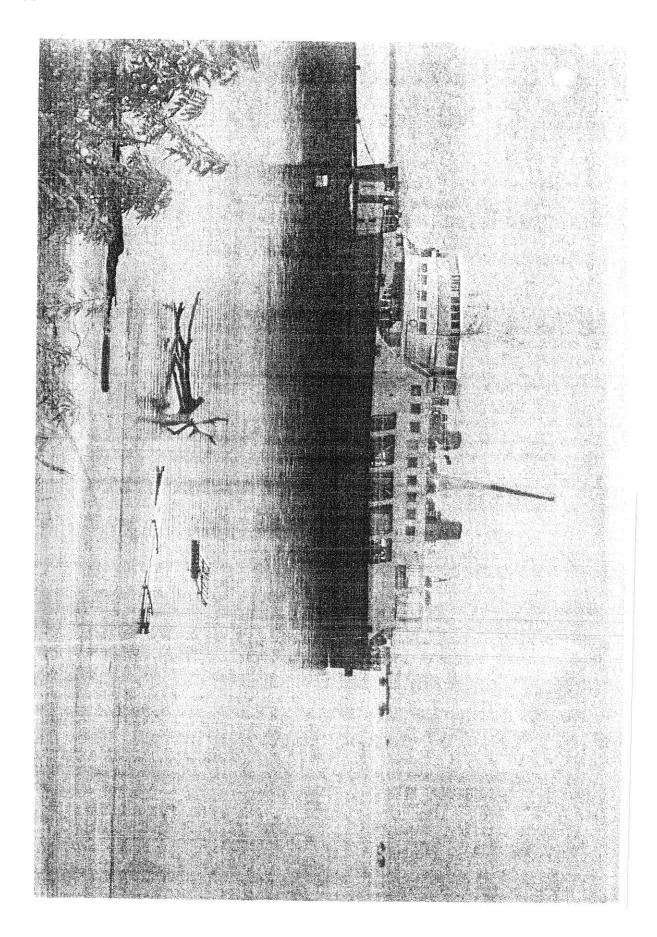
Property Rental & Lease Costs

General Expenses

Depreciation

Total Administrative Expenses

Note 1: 2008 Admin Expenses of SCP1 presented as bases for SCP2



3	55	
Vessel Operation	50mx11mx3.5 @(GT 680tonnes 390pax 15crew 370 tonnes cargo Survey December 2008 Valid to December 2010 - Fiji Marine Board - Rusiate Waqa	
TIEM CONTRACTOR OF THE WAY		THE RESIDENCE OF THE PROPERTY
Hull Plating	6 plates replaced in void 12/08 Dry Dock Cleaned/painted.	
Starboard		A CHARLES AND A CHARLES AND A CHARLES AND AND AND AND AND ADDRESS OF THE PARTY OF T
Port		
Concrete Strengthening	Some inserts but generally limited rust.	
Deck Plating	Good, limited rust well painted throughout	
Superstructure		
Doors, vents, hatch, port holes, watertightness	All areas water tight	
Ramp	TBC Bow/Stern Stern ramp to be Spec for SCP, may need lengthening with flaps 1m Bow short.	
Ramp rubber seals.		
Ramp winch, wires etc.	Good condition	
Port hole rubber seals	Sealed at pax level. Cargo hold partly open, need screens to protect from sea/weather. Plate insert or canvas.	
Paint Hull	Upper deck white, good condition, upper decks good. Hull reasonable.	
Paint Other	Derusted and well painted	
Foreneak		
Macholes	Secure with seals and bolts in good condition	
Programme Commission and Commission	Evellan condition with no res	A CONTRACT OF THE PROPERTY OF
Longitudinal, transverse transmig, sun eners, condition	CARLIGUE VOINTIANT WITH IN 1991.	
Durkhead Wateringin	ATT - 1 - 1 - 2	And the second s
Anode condition	All reflaces at survey	
**Tank condition	IBC, Fuel,water,sewage UK	THE PERSON NAMED IN COLUMN 2 I
Superstructure		With the same of t
Bulk heads, railings, cappings, doors	All OK	
Funnels	Good, limited rust well painted throughout	
Vents	Good ventilation in all areas especially engine room, crew areas aircon	
Lifeboats and davits.		
Ballast Tanks No1.		The second of the second secon
**Manholes, General condition, tanks, vents, pipes	TBC	A CONTRACTOR OF THE PERSON NAMED IN COLUMN TO PERSON NAMED IN COLUMN T
Longitudinal, transverse framing, stiffeners, condition	All good	
Anode condition		
Water tight		Address of the second s
No 6 .N/A		
Manholes, General condition, tanks, vents, pipes		
Longitudinal transverse framing stiffeners, condition		
Anode condition		
Micros continue		Andreas the special activities of the free free free free free free free fr
water ugin	TOO	
Fresh Water Lank	1DC	Annual of America School Street Stree
Manholes, General condition, tanks, vents, pipes		
Longitudinal, transverse framing, stiffeners, condition		
Anode condition		
Tank Cleanliness		
Water tight		Contract of the Contract of th
**No2 Void Space	TBC	
Manholes General condition tanks vents pipes		
Longitudinal transverse framing stiffeners condition		
Water right		
Word Space Cleanliness		
Coffer Dom Retween Water Tank/No5 Fuel Tank-Sd N/A		
Manholae General condition tanks vents pines		
Louringline transverse framine chillenge condition		
Water ticht		
water ugnt		THE RESIDENCE OF THE PROPERTY
Correr Dam Creaniness	T	
Manholas Canaral condition tanks wants nines		
Manifoles, Centeral Condition, Lanks, Venus, pipes		
Morey habs		THE RESIDENCE OF THE PARTY WAS ARRESTED TO SELECT THE SECOND OF THE SECO
Water tignt		A STATE OF THE PERSON NAMED IN COLUMN 1 ASSESSMENT OF THE PERSON NAM

Coffer Dam Cleanliness	A. C.
**Fuel Tank Center	CORIGIN CAPACITIES CONGLICOR ROOM.
Longitudinal transverse framing, stiffeners, condition	
Anode condition	
Water tight	
Tank Cleaniness	TBC
Manholes, General condition, tanks, vents, pipes	
Longitudinal transverse framing stiffeners, condition	
Anode condition Water right	
Tank Cleanliness	
Fuel Tank No 2 Wing Port N/A	2 service tanks/punityer/claniner Mitsubishi ceniniuge
Manholes, General Condition, lanks, Vents, pipes Longitudinal, transverse framing, stiffeners, condition	
Anode condition	
Water tight	
Enel Tank No 3 Centre N/A	
Manholes, General condition, tanks, vents, pipes	
Longitudinal transverse framing stiffeners, condition	
Anode condition	
Tapk Cleanliness	
Fuel Tank No 5 Wing Starboard N/A	
Manholes, General condition, tanks, vents, pipes	
Longitudinal transverse framing stiffeners, condition	
Anode condition	
Tank Cleanliness	
Fuel Tank No 5 N/A	
Manholes, General condition, tanks, vents, pipes	
Longitudinal transverse framing stiffeners, condition	
Anode condition	
**Sewage Tank	_TBC
Manholes, General condition, tanks, vents, pipes	
Longitudinal,transverse framing,stiffeners, condition	
Anode condition Water right	
Tank Cleanliness	
**Starboard Main Engine -	TBC, 18 months O/H. Zx Dannasu 180 KW 6 cyl. Zx compressors
	The state of the s
Engine Room	Vey good condition and excellent maintenance PMP111
**Port Main Engine-	TBC 12 months O/H
	TDC
""Gearbox Marboard Couplings	
**Gearbox Port, Couplings	TBC
	Ecoalint condition
Other Equipment	Pumpas, shaft's bearings all O/H Dry Dock 12/08
**Auxiliary Generator Starboard	TBC 2x 4 Cyl Cumnins
**Auxiliary Generator Port	TBC AK Basson-Alt from near conjuncted on Oloscola
**Pumps	THY. ON RECOVERAGIO TION HEW EQUIPMENT ON VIOVABLE
**All Balast Water Valves	TBC OK
**Ballast, Fire, Bilge Pumps	TBC OK Deck skid mount 400 volt pertable genset **Recoverable from new equipment on Otovaha
**Hydraulic Pumps	118C TRC **Recoverable from new eminment on Olovalta
Energency Pumps	TBC
Fuci, Danast, Donieste, scuppers, compe	1.18C
Derricks N/A	
Wires, pin, sheaves, blocksN/A	
Cargo hatch cover, rubber seals, N/A	A 11 11 11 11 11 11 11 11 11 11 11 11 11
Cargo hold - Structural Floor	Cargo hold floor structurally sound with container fixing points
Longitudinal transverse framing stiffeners, condition	Excellent condition

	Very Good need side curtains ** Steel Inserts/Curtains
**Cargo Hold-General	JGL
**Port anchor windlass/Mooring capstan	1DC NOA
**Starboard anchor windlass/Mooring capstan	TDC
**Port Stern anchor windlass/Mooring windlass	707
Crarboard Stern anchor windlass/Mooring windlass	IDC
Cables, Chains	God contition
Switchboards	POOD
Mesos controls	0000
A larm extent	000n
Deidas/Graine controls	0000
Dilugation Marons	TBC
- Willell Moore	New plotter, rdars U.N.
Radars	All OK MK HF SSB ICOM Manne K/L Jails
Radios	OK with plotter
GPS	OK with plotter
Signaffing	NO.
Compasses	O.V.
AIS.	
Others (Rincculars, sextant, pelorus etc.)	
**Skip Batteries & Chargers	JBC
	1BC
Vent Lans	Compliant 9x25 4x65 1x3 - Recoverable from nor wife
Life rafts	Compliant
Lifeboats	500 good condition **Recoverable from new equipment on Chovaina
Pyrotechnics	
Life Jackets	
Buoyant devices	
Transponder	Tait
Hand held radios (and spare battenes)	Table 4+ Bennerable from new equipment on Olovaha
**Portable Fire extinguishers	TEC ## Decisionally from new equipment on Olovaha
**Fire Hoses, Nozzles, Couplings, Hydrants	Out.
**Fixed fire fighting system Halon	TDC ** 8 acrosswhile from new equipment on Olovaha
** Emergency Fire pump (engine & motor)	TEC ** Recoverable from new equipment on Olovaha
**Breathing Apparatus	TRC ** Recoverable from new equipment on Olovaha
**Eireman's Outfit	100 1000