

9<sup>th</sup> April 2008

## **Rimorchiatori Malta Ltd announces multi-million investment in Malta**

Rimorchiatori Malta Ltd today announced that it has ordered a new Anchor Handling Supply Vessel - AHSV type from the Spanish shipyard Union Naval Valencia. The vessel is designed by Moss Maritime, one of Norway's leading naval architects forming part of Messrs Saipem and will be delivered to the Maltese company in March 2010. The vessel is specifically designed to perform offshore activities giving assistance to fixed or floating oil rigs in the South Mediterranean waters. The construction price of the vessel is 20 million Euro and will be financed by an Italian Bank, possibly in a pooling arrangement with a Maltese Bank. This investment is being made through the Company's Maltese subsidiary Menqa Shipping. This was announced by the President of the Rimorchiatori Riuniti Group, Dott. Giovanni delle Piane, during a media conference held at Tug Malta's offices in Floriana.

The vessel will be built under RINA Class and will have a power of approximately 8000 BHP (2 main engines, type General Electric) able to give a Bollard Pull of about 90 tonnes. with a length overall of 64.35 m and a beam of 15 m. The Moss 501 will have a deadweight of approximately 2000 tonnes with a deck cargo area of 432 sqm and a deck cargo capacity of a minimum 900 tonnes. The vessel will also be equipped with Fire Fighting 1 and DP (Dynamic positioning) Class 1.

Dott delle Piane added that, this is the third major investment since the acquisition by Rimorchiatori Riuniti Group of Tug Malta last July. In fact last September Tug Malta ordered from the Spanish Shipyard Armon S.A. an 80 tonnes Bollard Pull Harbour/Escort/Anchor Handling tug primarily designed to operate in the Maltese Harbours and their approaches. This tug will be fully equipped with Fire-Fighting Class 1, Oil Recovery and Salvage Equipment, in order to be prepared for any emergency that may occur in Maltese waters, or off port in the Mediterranean. The vessel is due to be delivered in December 2008, and will be equipped with Voith Schneider propulsion and twin MAK main engines able to give a total power of 7180 BHP.

The winch installed on board is a double drum in waterfall arrangement, having the upper drum for long distance purposes with a drum capacity of 1000 m steel wire rope and a pull of 80 tonnes, and a lower drum divided into two sections, one for escorting purposes (capacity 250 metres of synthetic rope) and one for harbour towing (capacity 150 metres of synthetic rope). The total investment is Euro 10.3 million and this has been partly financed by Bank of Valletta and partly by the Group.

Dott delle Piane also said that in December 2007 an Anchor Handling Supply Vessel with delivery due in April 2010 was ordered by another Maltese subsidiary, Rimorchiatori Malta Offshore, from the Spanish Shipyard Armon Vigo S.A. This is one of the largest vessels of its kind and required an investment of 42 million Euro.

The vessel is a MOSS 424 Mark III design with a DWT of 3100 tonnes, and will be equipped with 4 Main Engines (Bergen) with a power of 19000 BHP able to give a Bollard Pull of about 210 tonnes. The vessel will also be equipped with a Fire Fighting system Class 2, Dynamic Positioning 2, and Oil Recovery capability, in order to match the technical/operational requirements coming from offshore operators. The winch installed on board will be an Anchor Handling winch with two drums with a capacity of 5400 metres of 77 mm wire rope, with a pull up to 400 tonnes, and a secondary winch with two independent drums with a capacity of 800 metres of fibre rope of 203 mm and a pull of 90 tonnes. The vessel will also be able to carry typical liquid and dry cargo necessary for rig operations and 1200 tonnes of cargo on a deck area of 600 square metres.

“Given this large investment in the Company, underlines our commitment to develop our activities in the Maltese islands. Up to date, including the acquisition of the Government and minority shareholding in Tug Malta, the Rimorchiatori Riuniti Group has invested since last July, more than 100 million Euro. This is far in excess of our contractual commitments with the Government, when Tug Malta was privatised. We are proud of this achievement and intend to continue to develop our activities in the Mediterranean region using Malta as a base”, concluded Dott delle Piane.

Addressing the media conference, Rimorchiatori Riuniti Group Managing Director, Gregorio Gavarone, said that “in the development of our activities in Malta, investments with a reasonable and fair return are certainly important, but equally important is the human factor. It is the Group’s policy to preferably employ local personnel in management and other technical posts both onshore and also afloat. However, in order to do so, we must find qualified personnel with the requisite certification as demanded by international standards. Now that we have a good knowledge of Tug Malta and the existing local operation, we can say that we found a company properly managed, with a good team of Directors and Managers and with crews having a deep experience and a great degree of professionalism in harbour towage, but without the necessary qualifications and/or certification to perform operations outside territorial waters and in off-shore activities.”

Mr Gavarone added that “our primary challenge is therefore to improve, on a voluntary basis, the qualifications and certification of Tug Malta’s existing personnel and to be able to recruit, as necessary, qualified personnel in order to form a team of Maltese seafarers, with the aim of employing them on the off-shore vessels under construction. This shall be achieved without in anyway affecting the employment and relative conditions of present personnel who do not reach the requisite standards, as they will continue to retire only through natural wastage or at their own request. In due course and with this vision, the Company will have a full complement of crews, deck and engine officers and ratings, capable of operating both in harbour and offshore in order to achieve flexibility for the Company and equal opportunities for its employees.”

Mr Gavarone stressed that “it is a long term plan to which we are committed and we will be pleased to cooperate with MCAST and other Maltese organizations in the field in order to create a centre of excellence that is certainly in line with the maritime vocation of the Island. It goes without saying that cadets qualified at the Maritime Institute of MCAST will have the possibility of employment on the new off-shore vessels both during their cadetship and more so later when they become certified.”

In conclusion Mr Gavarone said that “it is also our Group’s intention to continue to enhance Tug Malta’s harbour towage fleet as and when necessary in order to meet the future requirements and demands of its clients when investing in larger vessels which call at Malta. Moreover, we are prepared to co-operate with the Authorities concerned and invest as necessary also in anti-pollution and environmental activity in the harbours and waters of Malta and in the central Mediterranean, where the Group is prepared to make available its many years of experience in this field. The investments undertaken to date and our plans for the future shall ensure our main objective for Malta to become a hub of activities for towage, tug assistance and other ancillary services in the harbours of Malta as well as in the central and southern regions of the Mediterranean.”

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